

Multiple Agency Fiscal Note Summary

Bill Number: 1131 2S HB	Title: Solid waste management
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	95,000	0	0	122,000	0	0	122,000
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Ecology	0	0	(964,000)	0	0	1,907,647	0	0	1,082,433
Total \$	0	0	(869,000)	0	0	2,029,647	0	0	1,204,433

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	.3	0	0	95,000	.4	0	0	122,000	.4	0	0	122,000
Department of Commerce	.0	0	0	0	.5	146,978	146,978	146,978	1.6	0	0	434,063
Department of Commerce	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Department of Revenue	.1	16,000	16,000	16,000	1.7	357,000	357,000	357,000	2.3	418,300	418,300	418,300
Liquor and Cannabis Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Utilities and Transportation Commission	.4	0	0	129,707	.1	0	0	17,097	.0	0	0	11,398
Department of Health	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Ecology	8.9	272,412	272,412	3,590,151	3.6	0	0	1,693,601	1.2	0	0	1,430,934
Environmental and Land Use Hearings Office	.3	80,395	80,395	80,395	1.3	294,432	294,432	294,432	1.3	294,432	294,432	294,432
Total \$	10.0	368,807	368,807	3,911,253	7.6	798,410	798,410	2,631,108	6.8	712,732	712,732	2,711,127

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

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Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Final 3/ 7/2023
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Individual State Agency Fiscal Note

Revised

Bill Number: 1131 2S HB	Title: Solid waste management	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1	24,000	71,000	95,000	122,000	122,000
Total \$	24,000	71,000	95,000	122,000	122,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.5	0.3	0.4	0.4
Account					
Legal Services Revolving Account-State 405-1	24,000	71,000	95,000	122,000	122,000
Total \$	24,000	71,000	95,000	122,000	122,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/25/2023
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 03/06/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 03/06/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/07/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Part One: Providing Producer Responsibility in the Management of Packaging and Paper Products.

Section 101: New section providing findings and stating legislative intent.

Section 102: New section providing definitions, including defining “Department” as the “Department of Ecology” (Ecology

Section 103: New section requiring, beginning October 1, 2024, producers that offer for sale, sell, or distribute in or into Washington to join a Producer Responsibility Organization (PRO) that is registered with Ecology or register with Ecology as a PRO, and setting out the duties of PROs.

Section 104: New section setting out Ecology’s duties.

Section 105: New section requiring Ecology to conduct a performance rates study and statewide needs assessments that must be conducted by a third-party consultant selected by Ecology.

Section 106: New section requiring each producer of covered products to participate in, implement, and fund a PRO plan approved by Ecology.

Section 107: New section providing information that plans and plan updates must contain.

Section 108: New section addressing plan approval, updates, and revisions.

Section 109: New section requiring PROs to submit a comprehensive contingency plan to Ecology.

Section 110: New section requiring PROs, government entities, and service providers to manage covered products consistently with the State’s solid waste management hierarchy established in RCW 70A.205.005.

Section 111: New section requiring registered providers to submit performance rates for covered products to Ecology by January 1, 2025.

Section 112: New section requiring PROs implementing a plan to fully fund all required activities under this chapter.

Section 113: New section covering convenience standards.

Section 114: New section applying to government entities and addressing their authority to collect covered products.

Section 115: New section addressing cost reimbursement for services provided by government entities.

Section 116: New section addressing cost reimbursement for services regulated by the Utilities and Transportation Commission (UTC).

Section 117: New section addressing infrastructure investments.

Section 118: New section requiring education and outreach in each PRO plan.

Section 119: New section requiring annual reporting of activities by PROs starting July 1, 2028.

Section 120: New section establishing advisory council consisting of members appointed by Ecology. Ecology must provide staff support. The duties of the advisory council are listed.

Section 121: New section addressing the submission of confidential information to Ecology under this chapter.

Section 122: New section prohibiting certain uses of funds by PROs.

Section 123: New section addressing Ecology's enforcement authority.

Section 124: New section addressing truth in labeling.

Section 125: New section authority Ecology to participate in the development and ongoing operation of a regional or multistate clearinghouse to facilitate the implementation of state laws and rules on packaging and paper products.

Section 126: New section addressing other assistance programs.

Section 127: New section creating the responsible packaging and management account in the state treasury.

Section 128: New section covering petitions for the exclusion of certain products.

Part Two: Postconsumer Recycled Content Requirements.

Section 201: New section providing definitions, including defining "Department" as the "Department of Ecology."

Section 202: New section covering de minimis producers.

Section 203: New section providing Postconsumer Recycled Content (PCRC) requirements for PCRC products.

Section 204 through 208: New sections providing PCRC requirements for (a) plastic beverage containers; (b) household cleaning products and personal care products; (c) plastic tubs for food products; (d) single-use plastic cups; and (e) thermoform plastic containers.

Section 209: New section requiring PCRC reporting by PROs.

Section 210: New section authorizing Ecology to review and adjust minimum PCRC percentages. Ecology must consider a number of listed factors.

Section 211: New section addressing enforcement by Ecology.

Section 212: New section providing Ecology rule-making authority.

Section 213: Amends definitions in RCW 70A.245.010.

Section 214: Amends RCW 70A.245.020 applying to producers of household cleaning or plastic personal care products that are federally regulated pesticide products.

Section 215: Amends RCW 70A.245.030 applying to plastic trash bag producers.

Section 216: Amends RCW 70A.245.040 to authorize Ecology to assess a civil penalty to a producer in violation of RCW 70A.245.020, .030, or .060.

Section 217: Amends RCW 70A.245.090 to delete language authorizing Ecology to conduct audits and requiring Ecology to annually publish a list of registered producers of covered products.

Section 218: Amends RCW 70A.245.100 to add reference to Sections 123 and 211 of this act.

Section 219: Amends RCW 70A.245.120 to add references to certified PCRC products and products subject to minimum postconsumer recycled content requirements under the new chapter created by Section 602 of this act.

Section 220: Amends RCW 70A.245.060 to require, beginning January 1, 2025, producers to label the percentage of postconsumer recycled content that plastic trash bags contain in accordance with a federal regulation.

Section 221: Adds new section to RCW 70A.245 providing, beginning January 1, 2024, manufacturers or persons may only sell, offer for sale, or distribute for use in Washington plastic collection bins made from at least 25 percent postconsumer recycled content.

Part Three: Reimbursable Deposit Program Standards (Beverage Container Deposit Program Provisions)

Section 301: New section stating legislative intent.

Section 302: New section providing definitions, including defining “Department” as the “Department of Ecology.”

Section 303: New section addressing relationship between the new chapters created by Sections 601 and 602 of this act.

Section 304: New section providing duties of Distributor Responsibility Organizations (DRO).

Section 305: New section setting out Ecology’s duties.

Section 306: New section providing reuse and recycling performance requirements.

Section 307: New section requiring Ecology to determine whether to approve a DRO’s initial plan to operate a deposit return system for qualifying beverage containers. Subsequently, updated plans must be submitted to Ecology for review by July 1, 2031, and July 1, 2036.

Section 308: New section requiring DRO’s participation in the feasibility study described in Section 504 of this act.

Section 309: New section requiring annual reporting of activities by DROs beginning July 1, 2028.

Section 310: New section requiring establishment of consumer convenience advisory council by January 1, 2025. The required membership of the council is provided.

Section 311: New section requiring Ecology, in the fourth and ninth years in which a DRO operates a deposit return system in the State, to conduct an assessment of consumer convenience.

Section 312: New section authorizing a distributor that is also a manufacturer to submit a plan to Ecology to operate a small-scale refund program. Ecology may approve the plan if it meets certain criteria.

Section 313: New section requiring plans implement by a DRO to include education and outreach activities to reach diverse residents.

Section 314: New section requiring a DRO to accept, and pay the full refund value for, any qualifying beverage containers

returned to the DRO by material recovery facilities, government entities, and other processing facilities if certain criteria are met.

Section 315: New section authorizing Ecology to impose civil penalties for significant violations of the deposit return system plan or performance requirements of this chapter by a DRO.

Section 316: New section requiring the Department of Commerce (Commerce) to operate the recycling revenue augmentation program.

Section 317: New section creating the recycling revenue augmentation program account in the custody of the State Treasurer.

Section 318: New section creating the deposit return organization program account in the custody of the State Treasurer.

Section 319: New section providing contingency if a DRO ceases to exist and operate a deposit return system in Washington.

Section 320: Adds new section to RCW 82.04 providing a deduction in the business and occupation tax code for amounts derived from charges for the refund value of qualifying beverage containers as required by the new chapter created by Section 603.

Section 321: Amends RCW 82.19.050 exempting charges for the refund value of qualifying beverage containers as required by the new chapter created by Section 603 from the litter tax.

Section 322: New section excluding Sections 320 and 321 from the tax performance provisions of RCW 82.32.805 and .805.

Part Four: Amendments to Solid Waste Management Laws

Section 401: Amends RCW 70A.205.005 to add finding that producers are responsible to help provide for the responsible management of their products.

Sections 402 through 407: Amend various statutes in RCW 70A.205 to add a reference to producers' responsibility to share in the responsible management of their products and PROs.

Section 408: New section addressing application of chapter to the collection and transportation of recyclable materials by recycling companies or non-profit entities.

Sections 409 through 415: Add new sections to chapters in the RCW authorizing Ecology to direct producers to register and submit required data, annual reports, fees, annual payments, and additional information or documentation to the clearinghouse established under Section 125.

Sections: 416 through 418: Add new sections chapters in the RCW providing that permitting or siting procedures applicable to a storage or drop-off container must be consistent with a section in that act.

Part Five: Other Conforming Amendments and Miscellaneous Provisions

Sections 501 and 502: Amend two statutes to add references to portions of this act.

Section 503: New section stating that nothing in the chapters created by Sections 602 and 603 limits the authority of the UTC to regulate the collection of solid waste, including curbside collection of residential recyclable materials.

Section 504: New section requiring Ecology to complete a feasibility study by December 1, 2025.

Section 505: New section requiring Ecology, PROs, and DROs to conduct a litter tax study. Recommendations to the Legislature are required by January 1, 2029.

Section 506: New section requiring Ecology to evaluate best practices related to home composting. Recommendations to the Legislature are required by December 1, 2024.

Section 507: Repeals RCW 70A.245.110.

Section 508: Severability clause.

Part Six: Codification Directives

Section 601: Sections 101 through 128, 408, 503, and 505 constitute a new chapter in RCW 70A.

Section 602: Sections 201 through 212 constitute a new chapter in RCW 70A.

Section 603: Sections 301 through 319 and 415 constitute a new chapter in RCW 70A.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Department of Ecology (Ecology). The Attorney General's Office (AGO) will bill this client for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agencies' fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

Ecology will be billed for non-Seattle rates:

FY 2024: \$24,000 for 0.1 Attorney General FTE (AAG) and 0.05 Legal Assistant 3 FTE (LA).

FY 2025: \$71,000 for 0.28 AAG and 0.14 LA.

FY 2026 and in each FY thereafter: \$61,000 for 0.24 AAG and 0.12 LA.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Attorney General's Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2023 legislative session.

Location of staffing is assumed to be in a non-Seattle office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 FTE of an MA.

Assumptions for the AGO Ecology Division (ECY) Legal Services for the Department of Ecology (Ecology):

The AGO will bill Ecology for legal services based on the enactment of this bill.

ECY will be required to provide rulemaking advice in FY 2024 and FY 2025:

For the new extended producer responsibility (EPR) program for paper and plastic packaging (Sections 101 through 128), as well as for the products with specified post-consumer recycled content requirements that would be removed from current RCW 70A.245—with the addition of new product categories plastic food tubs, single use cups, thermoform containers and placed under the EPR program by Sections 201 through 212.

Advice on complex rulemaking in FY 2024, FY 2025, and first part of FY 2026. Topics will include producer responsibility (PRO) fee structure, plan content, annual report content, education and outreach requirements, convenience standards, services to vulnerable communities, measuring performance rates for each material category, and recycled content requirements. Ecology assumes rules will be complex, highly technical, and will take 2.25 years, starting Oct 2023 and finishing December 2025.

FY 2024 and FY 2025: 0.1 FTE AAG.

Advice and representation in support of Ecology's enforcement efforts to ensure producer participation in EPR program, for example, registration and annual fee payments starting July 2024, determining responsible parties starting July 2024, enforcement letters and penalties starting in FY 2025 and ongoing. In addition, advice and representation will be provided in support of Ecology's enforcement of EPR program implementation, including ensuring producer financial responsibility, and addressing possible producer appeals to the Pollution Control Hearings Board (PCHB).

FY 2025 and in each FY thereafter: 0.12 FTE AAG.

For amendments to RCW 70A.245 (Sections 213 through 220):

i. There will be a reduction in the current level of advice and representation to Ecology for implementation of RCW 70A.245 (post-consumer recycled content requirements certain plastic packaging and garbage bags) due to the elimination of producer registration and fee requirements by Section 214, and a change in the types of products covered under RCW 70A.245 (trash bags remain; beverage, household cleaner, and personal care product containers move to product responsibility program created by the bill; new products added to RCW 70A.245 are pesticide containers, trash bags, and plant pots/trays).

ii. Advice and representation (similar to under current RCW 70A.245) in support of Ecology's enforcement to ensure producer compliance with respect to enforcement letters and penalties appealable to the PCHB if producers are not providing certificates of compliance demonstrating recycled content for pesticide containers in FY 2025 and plastic pots and trays in FY 2026.

iii. Advice responding to industry petitions to reduce or eliminate required recycled content requirements (similar to the level provided under current RCW 70A.245), by type of container and product, starting FY 2024, and possible representation before the PCHB for appeals from Ecology's decisions on petitions.

For the new deposit return program for beverage containers (Sections 301 to 319):

- i. Advice on complex rulemaking in FY 2024, FY 2025, and first part of FY 2026. Subjects include clarifying deposit return system requirement, determining excluded beverages, and Deposit Return Organization (DRO) fee structure.
- ii. Advice and representation in support of Ecology’s enforcement under Section 315 to ensure beverage distributor participation in DRO plan and DRO compliance such as registration and annual fee payments starting 2025, compliance with post-consumer recycled content requirements, and addressing possible DRO appeals to PCHB.

FY 2025 and in each FY thereafter: 0.06 AAG.
 FY 2026: 0.15 AAG for EPR program and 0.09 AAG for DRO program.

ECY: Total non-Seattle workload impact:
 FY 2024: \$24,000 for 0.1 AAG and 0.05 LA.
 FY 2025: \$71,000 for 0.28 AAG and 0.14 LA.
 FY 2026 and in each FY thereafter: \$61,000 for 0.24 AAG and 0.12 LA.

The AGO Licensing and Administrative Law (LAL) Division has reviewed the bill determined it will not significantly increase or decrease the division’s workload in representing the Liquor and Cannabis Board (LCB), as it imposes no requirements on the Board to act.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services Revolving Account	State	24,000	71,000	95,000	122,000	122,000
Total \$			24,000	71,000	95,000	122,000	122,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.5	0.3	0.4	0.4
A-Salaries and Wages	16,000	47,000	63,000	82,000	82,000
B-Employee Benefits	5,000	16,000	21,000	26,000	26,000
E-Goods and Other Services	3,000	8,000	11,000	14,000	14,000
Total \$	24,000	71,000	95,000	122,000	122,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Assistant Attorney General	118,700	0.1	0.3	0.2	0.2	0.2
Legal Assistant 3	55,872	0.1	0.1	0.1	0.1	0.1
Management Analyst 5	91,524	0.0	0.1	0.1	0.1	0.1
Total FTEs		0.2	0.5	0.3	0.4	0.4

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Ecology Division (ECY)	24,000	71,000	95,000	122,000	122,000
Total \$	24,000	71,000	95,000	122,000	122,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1131 2S HB	Title: Solid waste management	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.5	1.6
Account					
General Fund-State 001-1	0	0	0	146,978	0
NEW-State NEW-1	0	0	0	0	434,063
Total \$	0	0	0	146,978	434,063

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/25/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/27/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/27/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/01/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Differences between the second substitute and the substitute bill:

- Section 302 clarifies the definition of deposit return system to mean redemption of qualifying beverage containers.
- Section 304 modifies the start date once a distributor responsibility organization's (DRO) registration is approved by Ecology to certify membership requirements of the DRO from July 1, 2024 to October 1, 2024.
- Section 316(1)(b) clarifies that local governments or recycling program operators requesting funds from the recycling revenue augmentation fund must submit requests to the Department of Commerce (department) by July 1 of each year for the preceding calendar year in which revenue losses were experienced.
- Section 316(2) clarifies that at the close of each calendar year, the department must remit any unobligated balance in the RRAF to the DRO, except for revenues generated by penalties pursuant to Section 305(7), which must be remitted to the State Treasurer to deposit into the Deposit Return Organization Program Account established in Section 318.
- Section 316(3) is removed.

The changes made in the proposed legislation would not change the department's assumptions or expected cost impacts.

Summary of the second substitute bill:

Section 302 provides definitions.

A deposit return system (DRS) means a qualifying beverage container redemption program that pays a per-unit refund value to consumers for qualifying beverage containers and collects and processes them

A distributor responsibility organization (DRO) means a cooperative association as defined in chapter 23.86 RCW, or an alternative structure as approved by the Department of Ecology (Ecology), that is designated by a group of distributors representing the majority of beverages sold in qualifying beverage containers in the state.

Section 304 provides that beginning October 1, 2024, or four months after a DRO's registration is approved by Ecology, whichever is later, a DRO must demonstrate to Ecology that its initial membership represents the majority of beverages in qualifying beverage containers sold or made available for sale in the state. Distributors not joining a DRO may not sell or supply beverages in qualifying beverage containers after October 1, 2024. Beginning approximately July 1, 2026, a DRO must submit a plan to Ecology that meets the requirements of a DRS. Beginning approximately July 1, 2027 or within one year of first adoption of rules for this chapter, a DRO must implement a DRS.

Section 307 outlines the criteria for approval of a DRS plan, which includes the imposition of a refund value of \$0.10 for all qualifying beverage containers, and a method for collecting and paying consumers for qualifying beverage containers deposited.

Section 307(2) provides a definition for a qualified beverage container, which includes: any individual, separate, sealed glass, metal or plastic bottle or can, except for a carton, foil pouch, drink box, or metal container that requires a tool to be opened, that contains any beverage intended for human consumption and in a quantity of greater than four ounces and less than or equal to one gallon. Beverages with dairy milk as the first ingredient and infant formula do not qualify.

Section 307(5) and (6) provides for its DRS, a DRO must provide convenient bulk drop-off options in geographically dispersed locations statewide, and at least 270 drop sites statewide, including at least one in each county, and at least one in each island community served by the state ferry system. A DRO must incrementally increase the number of DRS drop sites by 10 within two years of the date by which the DRO begins operating their DRS.

Local governments shall coordinate with the DRO to identify opportunities for siting necessary collection infrastructure, including on city and county properties. All sites must be paid for in full by the DRO.

Section 307(11) provides that for the first five years that a DRS is operational, the DRO must remit \$15 million by December 31 of each year to the Department of Commerce's (department) Recycling Revenue Augmentation Fund (RRAF). For DRS' that are operational after January 1, the remittance shall be prorated.

Section 316 outlines responsibilities for the department's administration of the RRAF, including that the department must collect funds from DROs.

Section 316(1)(b) beginning January 1 of the year after a DRO begins operations of a DRS, and each January 1 for the following four years, accept requests from local governments, or operators of curbside or drop-off recycling programs, or both. Requests are for RRAF resources to offset the revenue losses from the previous year from the diversion of scrap material to a DRS. Requests must be received by July 1 of each year for the preceding calendar year, and will be verified by third-party audited financial data that objectively demonstrates revenue losses less decreased operations costs from this chapter and any new revenue provided through this chapter. For public entities, their annual audit may satisfy the audited data requirement if the department determines it holds sufficient financial data to verify funding requests. Each request must include the average total tons of glass, plastic, and metal for that applicant for the three years preceding the operation of a DRS in the state compared to the total tonnage for the year in which funds are requested.

Section 316(2) the department must evaluate funding requests annually, reject those without verifiable or accurate data, and distribute funds from the RRAF proportionally based on valid requests and available RRAF revenue. At the close of each calendar year, the department must remit any unobligated balance in the RRAF to the DRO, except for revenues generated by penalties pursuant to Section 305(7), which must be remitted to the State Treasurer to deposit into the Deposit Return Organization Program Account established in Section 318.

Section 317 establishes the RRAF with allowable expenditures for the implementation and administration by the department for the RRAF, as outlined in Section 316. Only the director of the department or their designee may authorize expenditures, and an appropriation is not required for expenditures.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Section 307(11) provides that for the first five years that a DRS is operational, the DRO must remit \$15 million by December 31 of each year to the Recycling Revenue Augmentation Fund (RRAF). For DRS' that are operational after January 1, the remittance shall be prorated. The first fiscal year that DROs may begin implementation is 2028, by July 1, 2027, and the first remittance is due by December 31, 2027. The number of DROs that would form and when they would begin implementation is unknown, and the number that would require a prorated remittance is also unknown.

The share of resources remaining in the RRAF after reimbursements have been made to eligible entities that would be returned to the corresponding DRO is also indeterminate (Section 316(2)).

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Agency assumptions:

- The department assumes that based on Section 304, no DRS' would be operational prior to July 1, 2027 and funds would

be deposited into the RRAF for the first time in December 2027.

- The department assumes all DROs that will form a DRS will submit plans to Ecology by July 1, 2026 with the intent to become operational by July 1, 2027.

- It is indeterminate how many DROs will form, how many DRS' will be operational statewide, and how much revenue will be deposited into the RRAF beginning in FY28. It is also indeterminate how many funding requests will occur and the level of remaining resources that would be reimbursed to DROs annually.

- The department assumes state resources would be required in FY27 for initial program formation activities, including program outreach and coordination, guidelines and application materials beginning January 1, 2027 in preparation for the first operational DROs by July 1, 2027 and the first RRAF deposit by DROs on December 31, 2027. For the five years (FY28-FY32) thereafter, program operations would be funded from the RRAF.

0.50 FTE Commerce Specialist 3 (1,044 hours) in FY27 and 1.0 FTE (2,088 hours) FY28-FY32, to provide or build capacity around solicitation, origination, management, and monitoring activities. Staff will manage the day-to-day operations of the program, coordinate with DROs, local governments, state partners and key stakeholder on program processes and funding availability.

0.15 FTE Commerce Specialist 5 (313 hours) in FY27 and 0.30 FTE (628 hours) in FY28, and 0.15 FTE (313 hours) FY29-FY32, to provide leadership in program planning, program oversight, monitoring, and will hire staff and provide day-to-day direction upon hire.

0.10 FTE WMS 2 (209 hours) in FY27-FY28, to provide expert policy advice or consultation on a range of issues specific to the program and to areas that have agency wide implications.

Salaries and benefits:

FY27: \$93,509

FY28: \$170,561

FY29: \$134,475

Goods and services:

Includes 50 hours of AAG consultation at \$210/hour in FY27 and 20 hours in FY28.

FY27: \$17,705

FY28: \$17,641

FY29: \$11,029

Equipment:

The department assumes standard workstations in FY27.

FY27: \$5,000

Intra-agency reimbursements:

FY27: \$30,764

FY28: \$56,115

FY29: \$44,242

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney

General costs, central services charges and agency administration. Intra-agency-agency administration costs (e.g. payroll, HR, IT) are funded under a federally approved cost allocation plan.

Total costs:

FY27: \$146,978
 FY28: \$244,317
 FY29: \$189,746

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	0	0	146,978	0
NEW-1	NEW	State	0	0	0	0	434,063
Total \$			0	0	0	146,978	434,063

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				0.5	1.6
A-Salaries and Wages				69,618	225,807
B-Employee Benefits				23,891	79,229
C-Professional Service Contracts					
E-Goods and Other Services				17,705	28,670
G-Travel					
J-Capital Outlays				5,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements				30,764	100,357
9-					
Total \$	0	0	0	146,978	434,063

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect	111,168				0.1	0.3
Commerce Specialist 3	82,056				0.3	1.0
Commerce Specialist 5	95,185				0.1	0.3
WMS Band 2	122,841				0.1	0.1
Total FTEs					0.5	1.6

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Department of Revenue Fiscal Note

Bill Number: 1131 2S HB	Title: Solid waste management	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2		0.1	1.7	2.3
Account					
GF-STATE-State 001-1	16,000		16,000	357,000	418,300
Total \$	16,000		16,000	357,000	418,300

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 60-786-7118	Date: 02/25/2023
Agency Preparation: Spencer Brien	Phone: 60-534-1528	Date: 03/02/2023
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 03/02/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/03/2023

Request # 1131-4-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Note: This fiscal note reflects language in 2SHB 1131-4, 2023 Legislative Session.

This fiscal note addresses all of Part 3 of the bill which impacts the Department of Revenue (department).

COMPARISON OF THE SECOND SUBSTITUTE BILL WITH THE SUBSTITUTE BILL:

The second substitute bill adds a deduction to the B&O tax for the refund value of qualifying beverages sold by retail businesses. The amount of the deduction claimed for a given period cannot exceed the refund value of beverage containers sold during that period.

The second substitute bill adds an exemption to the litter tax for the refund value of qualifying beverage containers if the charge is separately stated on an invoice.

The new tax preference performance provisions do not apply to both the B&O deduction and the Litter tax exemption (see section 322 of the bill).

CURRENT LAW:

The department is not involved in a litter tax study at this time.

BUSINESS AND OCCUPATION TAX

Washington levies the business and occupation (B&O) tax, on gross income from Washington-based business activity. The tax rate varies by classification. For retailing activities, the tax rate is 0.471%.

LITTER TAX

Washington levies the litter tax on manufacturers, wholesalers, and retailers of products which contribute to the litter problem in the state. Among other products, the litter tax applies to soft drinks and carbonated beverages, glass containers, and metal containers. The rate is .00015 of the taxable amount.

PROPOSAL:

The bill requires the Department of Ecology and the department to conduct a study of the impact of new requirements for the producers and distributors of certain products that contain packaging materials. The study will examine the impact of the new requirements on litter rates for the covered products. The study will also examine whether the current litter tax administration, compliance, or incidence could be improved. The department of ecology will consult with the department whether the litter tax is meeting the legislative purposes.

The Department of Ecology will provide recommendations to the appropriate legislative committees by January 1, 2029.

The bill requires all qualifying beverage containers sold in the state to have a refund value of 10 cents. This refund value increases the gross receipts of retail businesses subject to the B&O tax. The refund value also increases the taxable value of products subject to the litter tax.

The bill adds a deduction to the B&O tax for the refund value of qualifying beverages sold by retail businesses. The amount of the deduction claimed for a given period cannot exceed the refund value of beverage containers sold during that period.

The bill adds an exemption to the litter tax for the refund value of qualifying beverage containers if the charge is separately

stated on an invoice.

The new tax preference performance provisions do not apply to both the B&O deduction and the Litter tax exemption (see section 322 of the bill).

EFFECTIVE DATE:

The bill takes effect 90 days after final adjournment of the session.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

- The deposit paid to purchase the beverage containers are subject to retailing B&O tax.
- This estimate assumes that all retailers will separate the deposit from the retail sale amount. If the retailer states the charge for the deposit separately in the transaction and the separately stated charge equals the refund amount, then the deposit is exempt from retail sales tax. If the charge is not separately stated and not equal to the deposit amount, then the charge is retail sales taxable.
- The Department of Ecology estimates the total volume of eligible beverage containers sold in Washington at 5 billion units in 2021.
- The volume of beverage containers sold in Washington will grow at an average rate of 3.067%
- The Deposit Return System will be implemented on July 1, 2027. Distributor Responsibility Organizations will begin to require the collection of deposits 60 days prior to that date on May 1, 2027.
- The deposit paid to purchase the beverage containers is subject to the litter tax. The litter tax rate is .00015 of the taxable amount.

DATA SOURCES:

- Department of Ecology, Assumptions
- Bureau of Economic Analysis, Per capita food and beverage purchases 1997-2020

REVENUE ESTIMATES:

This bill adds a deduction for B&O tax obligations created by the deposit fees. The bill also adds an exemption for the fee from Litter tax. Thus any new state revenues from taxes on the deposit fee are exempt which results in a zero net revenue impact.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2024 -	\$ 0
FY 2025 -	\$ 0
FY 2026 -	\$ 0
FY 2027 -	\$ 0
FY 2028 -	\$ 0
FY 2029 -	\$ 0

Local Government, if applicable (cash basis, \$000): None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

- This legislation will affect 59,000 retailers of containers requiring the collection of a deposit.
- The litter tax study will take place in fiscal years 2028 and 2029.

FIRST YEAR COSTS:

The department will incur total costs of \$16,000 in fiscal year 2024. These costs include:

Labor Costs - Time and effort equates to 0.16 FTE.

- Update or create information materials, publications, and online information.
- Amend one administrative rule.

SECOND YEAR COSTS:

The department will not incur any costs in fiscal year 2025.

THIRD YEAR COSTS:

The department will not incur any costs in fiscal year 2026.

FOURTH YEAR COSTS:

The department will incur total costs of \$357,000 in fiscal year 2027. These costs include:

Labor Costs - Time and effort equate to 3.3 FTEs.

- Test and verify computer systems for new deduction.
- Create special notice and update relevant information on the department's website.
- Answer additional phone calls on tax questions and tax return preparation from businesses, individuals, and accountants.
- Respond to tax ruling requests and email inquiries.
- Process paper correspondence, respond to web messages, and conduct account examinations.
 - Hear additional administrative reviews that provide taxpayers with an informal, non-adversarial dispute resolution process for the review of a disputed action by the department.

Object Costs - \$38,600.

- Computer system changes, including contract programming.
- Print and mail a Special Notice to affected taxpayers.
- Print and mail documents, correspondence, and returns.
- Purchase of two additional agent seat licenses for the Telephone Information Center.

FIFTH YEAR COSTS:

The department will incur total costs of \$274,000 in fiscal year 2028. These costs include:

Labor Costs - Time and effort equate to 2.9 FTEs.

- Participate in the litter tax study, attend meetings, and provide data and reports.
- Respond to data requests and questions, compile statistics, and analyze data.
- Test and verify computer systems for new deduction.
- Answer additional phone calls on tax questions and tax return preparation from businesses, individuals, and accountants.
- Process paper correspondence, respond to web messages, and conduct account examinations.
- Conduct additional administrative reviews of notices and assessments.

SIXTH YEAR COSTS:

The department will incur total costs of \$143,900 in fiscal year 2029. These costs include:

Labor Costs - Time and effort equate to 1.6 FTEs.

- Participate in the litter tax study, provide and analyze data, report out, and review draft report.
- Respond to data requests and questions, compile statistics, and analyze data.
- Answer additional phone calls on tax questions and tax return preparation from businesses, individuals, and accountants.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2		0.1	1.7	2.3
A-Salaries and Wages	9,900		9,900	183,800	260,700
B-Employee Benefits	3,300		3,300	60,700	86,000
C-Professional Service Contracts				26,400	
E-Goods and Other Services	1,900		1,900	63,400	53,300
J-Capital Outlays	900		900	22,700	18,300
Total \$	\$16,000		\$16,000	\$357,000	\$418,300

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
EMS BAND 4	126,619	0.0		0.0		
EXCISE TAX EX 2	55,872				0.4	1.0
EXCISE TAX EX 3	61,632				0.2	0.5
IT SYS ADM-JOURNEY	92,844				0.1	
MGMT ANALYST4	73,260	0.0		0.0	0.2	
TAX INFO SPEC 1	44,808				0.8	0.5
TAX POLICY SP 2	75,120	0.1		0.1	0.1	
TAX POLICY SP 3	85,020	0.0		0.0	0.1	0.3
TAX POLICY SP 4	91,524	0.0		0.0		
WMS BAND 3	107,685	0.0		0.0		
Total FTEs		0.2		0.1	1.7	2.3

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Should this legislation become law, the department will use the expedited process to amend WAC 458-20-243, titled: "Litter tax." Persons affected by this rulemaking would include beverage container producers and beverage retailers.

Individual State Agency Fiscal Note

Bill Number: 1131 2S HB	Title: Solid waste management	Agency: 195-Liquor and Cannabis Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/25/2023
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 03/02/2023
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 03/02/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 03/02/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Part One - Providing for Producer Responsibility in the Management of Packaging and Paper Products

Section 101(7): It is the intent of the legislature to require that extended producer responsibility programs, including the achievement of recycling rates, are implemented by and for producers of consumer packaging and paper products in a manner that involves producers in material management from design concept to end-of-life. These programs incentivize innovation and research to develop more efficient recycling technologies and minimize environmental impacts of the packaging and paper products.

CHANGES MADE BY THE SECOND SUBSTITUTE VERSION:

This second substitute bill deletes Section 503 from the substitute which eliminates the directive to the Liquor and Cannabis Board to update rules pertaining to the packaging of cannabis products.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

No fiscal impact to the agency as it does not have any responsibilities under this version of the bill.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1131 2S HB	Title: Solid waste management	Agency: 215-Utilities and Transportation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.4	0.5	0.4	0.1	0.0
Account					
Public Service Revolving Account-State 111-1	59,348	70,359	129,707	17,097	11,398
Total \$	59,348	70,359	129,707	17,097	11,398

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/25/2023
Agency Preparation: Amy Andrews	Phone: 360-481-1335	Date: 02/28/2023
Agency Approval: Amy Andrews	Phone: 360-481-1335	Date: 02/28/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 03/01/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill creates a consumer packaging producer responsibility program to facilitate the State's goal of reaching 50% recycling rate statewide as established in 1989. The program would be responsible for the collection, processing, and environmental impact mitigation of designated covered materials, and recycling outreach and education programs.

Section 103 establishes Producer Responsibility Organizations (PROs).

(5) within six months of the first adoption of rules for this measure, each PRO will submit a plan consistent with the requirements of the act.

Section 104 directs Dept. of Ecology (DOE) to determine annually the costs to implement, administer and enforce this bill and set an annual fee to be paid by each PRO that is adequate to cover those costs.

Section 105 (3)(b) directs the commission to review and submit comments to DOE on the Statewide Needs Assessment prior to its completion date of October 1, 2025.

Section 106 (3) directs the commission to participate in the consultation process to PROs on the plan required in Section 103, including:

(a) Opportunity to provide comment on the plan required in Section 103 30 days prior to the plan being submitted.

The Substitute and 2nd substitute removed the requirement for the Commission to review cost reimbursement formulas.

Section 112 (1) requires a PRO to fund all activities required by the chapter, including the cost of collection of covered materials.

Section 113 requires a PRO to fund activities to make convenient collection services available for every jurisdiction in which covered materials are sold or supplied.

(1)(a) In areas where curbside garbage collection service is provided, except in areas where a county has adopted an ordinance after the effective date of this section that designates covered products must be collected exclusively through alternate collection, and except for covered products designated for alternate collection under a producer responsibility organization plan.

(1)(b) In areas where curbside garbage collection is not currently provided, free and equitable access to permanent collection facilities must be provided.

The substitute and 2nd substitute change Subsection (2) to require a PRO, in areas regulated by the Commission under RCW 81.77, to meet its obligation through curbside collection as described in Section 114 of this act.

Subsection (3)(a) requires each PRO to establish a statewide list of covered products designated for collection.

The substitute adds (4) which requires each PRO to provide a map of each area where curbside and alternative collection services for covered products are available.

Section 114 (3) requires that curbside collection of covered products in areas served by companies regulated by the commission must be done by a company holding a certificate issued by the commission.

The substitute and 2nd substitute add (4) which allows a county to establish an ordinance that covered products designated for collection by a PRO plan be collected exclusively through alternate collection in areas regulated by the commission under RCW 81.77, if the area was designated rural in the county solid waste plan, and no recycling service was offered within those areas as of the effective date of this section.

In Section 116, a PRO must provide reimbursement to a company granted a certificate by the commission in accordance with the rates approved by the commission, including all taxes and fees that would otherwise be charged to residential customers directly or indirectly for recycling service.

The substitute and 2nd substitute add the following qualifying language:

To be eligible for reimbursement from a PRO, the company granted the certificate must provide service that:

- (1) Is offered to residents in single family and multifamily residences wherever curbside garbage collection is offered;
- (2) Includes collection of all covered products designated for curbside collection;
- (3) Aligns with service standards for curbside collection established by the PRO plan;
- (4) Is provided in a manner consistent with the requirements of this chapter.

The 2nd substitute replaces the previous Section 506 with Section 503, which provides that nothing in this act changes or limits the authority of the commission to regulate collection of solid waste including curbside collection of residential recyclable materials, in accordance with RCW 81.77.

Section 404 renumbers and amends 81.77.030:

- (f) adding commission review of PRO reimbursement of regulated service providers.
- (g) adding compliance with PRO plans as part of the requirement to comply with local comprehensive solid waste management plans.

Section 405 amends 81.77.040 to include compliance with PRO plans to meet the requirements of chapter 70A created in Section 601 of this act.

Section 406 amends 81.77.160 (1)(b) to include all known and measurable costs related to implementation of services designated by a PRO in an approved plan.

Section 407 amends 81.77.185 (1) to exclude covered products collected under an approved PRO plan from revenue sharing agreements.

The substitute and 2nd substitute removed language in Section 408 which amended 81.04 by adding a new section stating that upon request from a PRO, the commission must conduct a prudency review of base cost formulas proposed to be used for calculating reimbursement rates for government entities.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Simple Rulemaking

The UTC assumes Sections 404 and 406 require a simple rulemaking to update WAC 480-07 and 480-70 to review and align current commission rules with the language of this bill.

FY24 One-time expenditure \$38,292

(Administrative Law Judge, 0.06 FTE; Director Regulatory Services, 0.02 FTE; Deputy Director | Regulatory Services, 0.02 FTE; Policy Advisor, 0.02 FTE; Deputy Asst. Director | Regulatory Services, 0.02; Regulatory Analyst 2, 0.03 FTE; Regulatory Analyst 3, 0.02 FTE)

Department of Ecology Rulemaking

UTC assumes involvement with the development of EPR program rules lead by Ecology. Based on lead agency assumptions, the rulemaking would commence in FY24 and conclude in FY25. UTC assumes a similar level of participation to inhouse rulemakings, to be shared by Policy and Regulatory Services staff equally.

One-time Expenditure \$19,316 split across FY24 & FY25

FY24: \$9,658

FY25: \$9,658

(Director Regulatory Services, 0.02 FTE; Policy Adviser, 0.04 FTE; Director Administrative Law & Policy, 0.02 FTE; Regulatory Analyst 3, 0.04 FTE)

Comments to Department of Ecology

UTC assumes section 105 requires the commission to provide comments to Dept. of Ecology on the Statewide Needs Assessment due in July 2025.

FY25 One-time Expenditure \$49,303

(Commissioner, 0.02 FTE; Directory, Legislative, 0.02 FTE; Assistant Director, Policy, 0.04 FTE; Director Regulatory Services, 0.02 FTE; Deputy Director Regulatory Services, 0.02 FTE; Policy Adviser, 0.08 FTE; Regulatory Analyst 3, 0.11 FTE)

Advisory Council Participation

Section 106 requires the commission to participate on the Advisory Council, which will convene in January 2024 (FY24) and meet quarterly through 2026, then twice yearly. Estimate of 20 hours per meeting, to be shared equally between Policy Division and Regulatory Services Division.

On-going Expenditures:

FY24-FY26 \$11,398 per year

(Policy Advisor, 0.04 FTE; Regulatory Analyst 3, 0.04 FTE)

FY27-FY29 \$5,699 per year

(Policy Advisor, 0.02 FTE; Regulatory Analyst 3, 0.02 FTE)

Update to Cost Assessment Questionnaire

Section 405 requires the inclusion of producer responsibility programs in solid waste management plans and would require the commission to update its cost assessment questionnaire to account for that inclusion. This would be minimal additional work and could be absorbed into current workload.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
111-1	Public Service Revolving Account	State	59,348	70,359	129,707	17,097	11,398
Total \$			59,348	70,359	129,707	17,097	11,398

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.4	0.5	0.4	0.1	0.0
A-Salaries and Wages	38,985	47,863	86,848	11,631	7,754
B-Employee Benefits	13,645	16,753	30,398	4,071	2,714
C-Professional Service Contracts					
E-Goods and Other Services	6,718	5,743	12,461	1,395	930
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	59,348	70,359	129,707	17,097	11,398

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Law Judge	119,088	0.1		0.0		
Asst. Director, Policy	110,064	0.0	0.0	0.0		
Commissioner	168,012		0.0	0.0		
Deputy Asst. Director Regulatory Services	101,136	0.0		0.0		
Deputy Director Regulatory Services	117,996	0.0	0.0	0.0		
Director, Administrative Law & Policy	134,772	0.0	0.0	0.0		
Director, Legislative	120,084		0.0	0.0		
Director, Regulatory Services	134,532	0.0	0.0	0.0		
Policy Advisor	100,008	0.1	0.1	0.1	0.0	0.0
Regulatory Analyst 2	82,896	0.0		0.0		
Regulatory Analyst 3	93,840	0.1	0.2	0.1	0.0	0.0
Total FTEs		0.4	0.5	0.4	0.1	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Sections 404, 405, 406, and generally: Appropriate terms and definitions would need to be included in WAC 480-70 and 480-07.

Section 404 amends 81.77.030 to include review of PRO reimbursement of regulated curbside collection and would require updates to WAC 480-70 to ensure rules conform to these changes.

A review of WAC 480-07 and 480-70 would be required to implement the language of this bill.

Individual State Agency Fiscal Note

Bill Number: 1131 2S HB	Title: Solid waste management	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/25/2023
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 02/28/2023
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 02/28/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 03/01/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This version of the bill adds exclusions, removes requirements related to cannabis packaging, and clarifies language. This version does not change requirements for the Department of Ecology to consult with the Department of Health (department), therefore there is no change in fiscal impact to the department.

Section 504(2): The Department of Ecology (Ecology) must consult with the Department of Health (department) for purposes of considering the potential for integration of collection infrastructure under chapter 69.48 RCW with the collection infrastructure of other state programs.

For the purpose of this fiscal note, the department estimates staff costs to be minimal. Existing staff will accomplish the work required for consulting with Ecology within their normal workload. No fiscal impact to the department.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1131 2S HB	Title: Solid waste management	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Model Toxics Control Operating Account-State 23P-1				502,500	
Recycled Content Account-Non-Appropriated 25R-6	(482,000)	(482,000)	(964,000)	(964,000)	(964,000)
Deposit Return Organization Program Account-Non-Appropriated NEW-6				602,812	602,812
Responsible Packaging Management Account-Non-Appropriated NEW-6				1,766,335	1,443,621
Total \$	(482,000)	(482,000)	(964,000)	1,907,647	1,082,433

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.7	11.2	8.9	3.6	1.2
Account					
General Fund-State 001-1	116,042	156,370	272,412	0	0
Model Toxics Control Operating Account-State 23P-1	1,614,171	2,667,568	4,281,739	288,454	348,501
Recycled Content Account-Non-Appropriated 25R-6	(482,000)	(482,000)	(964,000)	(964,000)	(964,000)
Deposit Return Organization Program Account-Non-Appropriated NEW-6	0	0	0	602,812	602,812
Responsible Packaging Management Account-Non-Appropriated NEW-6	0	0	0	1,766,335	1,443,621
Total \$	1,248,213	2,341,938	3,590,151	1,693,601	1,430,934

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/25/2023
Agency Preparation: My-Hanh Mai	Phone: 360-742-6931	Date: 03/03/2023
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 03/03/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/06/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Compared to SHB 1131, 2SHB 1131 has the following substantive changes:

Section 103 delays the deadline for a producer to join a PRO from July 15, 2024, to October 1, 2024. Specifies that fees paid by a PRO to Ecology for Ecology's administrative costs must cover the projected, rather than preceding annual costs in the next fiscal year and must include the contractor costs related to the needs assessment, rate study, and advisory council support.

Section 104 specifies the workload analysis prepared by April 2025 must include the contractor costs related to the needs assessment, rate study, and advisory council support, and that this portion of the fees must be deposited in the account that paid for these costs.

Section 105 delays the deadline for completion of the performance rates study from September 1, 2024, to October 1, 2024, and the statewide needs assessment from July 1, 2025, to October 1, 2025.

Specifies that performance rates are averaged across all covered products managed by a PRO, and that the recommended rates must consider the commercial viability and technical feasibility of achieving the recommended rates based on directly comparable real world performance data in other jurisdictions.

Requires Ecology to consult with registered PROs in determining the final scope of the statewide needs assessment. Requires the needs assessment to identify costs based on a county-by-county assessment and taking into consideration the results of a survey open to local governments.

Section 203 requires Ecology to conduct a review of PRO extension request for any PCRC covered products.

Section 204 clarifies that PCRC requirements for beverage containers remain in effect as of January 1, 2023, rather than beginning January 1, 2024.

Section 209 requires the certifications of PCRC products maintained by producers to be third-party certified only if there are adequate and commercially feasible third-party certifications for a category of product subject to PCRC requirements. Authorizes product-specific petitions to Ecology to adjust the PCRC rate applicable to a product or issue a temporary exclusion to be submitted either as part of a PRO's annual report, or in a separate petition.

Section 221 restores the PCRC requirements for plastic collection bins that were eliminated in the Substitute House Bill.

Section 303 requires a DRO to register with Ecology by July 1, 2024. Clarifies the relationship between the PRO and the DRO, including for PCRC requirements for beverage containers.

Section 304 delays the deadline for distributors to register with a registered DRO from July 1, 2024, to October 1, 2024. Clarifies that DROs may not disseminate funds from unclaimed refunds as any form of profit to distributors and prohibits DROs from using funds from unclaimed refunds for legislative or political advocacy efforts that would require reporting to the Public Disclosure Commission.

Section 307 requires a DRO to submit updated plans to Ecology for review on July 1, 2031, and July 1, 2036, and directs Ecology to inform the Legislature by December 1, 2031, and December 1, 2036, if it deems a plan insufficient after providing a 60-day cure period for a DRO to remedy any insufficiencies initially identified by Ecology.

Section 311 requires Ecology in consultation with the DRO and the consumer convenience advisory council to conduct an assessment of consumer convenience in the fourth and ninth year, as opposed to the fifth full year of operation. Requires the DRO to contract and pay for an independent third-party consultant approved by Ecology to identify barriers and make recommendations to achieving the number of drop-off locations. The DRO will address these recommendations in the updated plans submitted to Ecology in 2031 and 2036.

Section 316 requires requests to the Department of Commerce for funds from the Recycling Revenue Augmentation Fund (RRAF) to be received by July 1 for revenue losses incurred during the preceding calendar year by local governments or operators of recycling programs.

Section 320 exempts the 10-cent refund value applied to qualifying beverage containers from the Business and Occupation Tax.

Section 321 exempts the 10-cent refund value applied to qualifying beverage containers from the Litter Tax.

Section 503 eliminates the directive for the Liquor and Cannabis Board to update rules pertaining to the packaging of cannabis products.

Section 506 requires Ecology to evaluate best practices in other jurisdictions and any applicable federal requirements for the labeling of items as home compostable and requires a report to be submitted to the Legislature by December 1, 2024.

These changes result in changes to the fiscal impact for Ecology.

Under current law, Chapter 70A.205 RCW, state, county, and city governments are required to provide for safe waste management, including waste reduction and source separation strategies and to process and dispose of remaining wastes in a manner that is environmentally safe and economically sound.

Local governments have the responsibility to provide access to recycling services for their residents, through curbside services and/or drop boxes. Department of Ecology (Ecology) provides technical assistance to local jurisdictions as they develop solid waste management plans that identify the materials considered recyclable (in the curbside bin or drop box) in their jurisdiction. Ecology also provides grant funding to support local government programs.

Under current law, Chapter 81.77 RCW, the Utilities and Transportation Commission (UTC) regulates solid waste collection companies that operate in unincorporated areas and in cities and towns that do not choose to contract for or provide their own collection services. Solid waste collection companies must obtain a certificate from the UTC to operate. The UTC reviews and approves collection rates charged by solid waste collection companies to these areas.

Under current law, Chapter 70A.245 RCW, producers of specific plastic covered products, including plastic beverage containers, household cleaning products, personal care products, and plastic trash bags, are required to meet specific post-consumer recycled content (PCRC) requirements. Rulemaking is currently underway and is expected to be adopted by October 2023.

This bill would:

- Create an Extended Producer Responsibility (EPR) program for Packaging and Paper Products. This program would be operated by a single producer responsibility organization (PRO) for the first five years of program implementation. Additional PROs could establish programs after the first five years. PRO programs operate with Ecology oversight and enforcement.

- Remove the oversight responsibility from Ecology for certain PCRC requirements in Chapter 70A.245 RCW for plastic beverage containers, household cleaning products, personal care products.

- Add PCRC responsibilities for specific categories of plastic products to PRO duties for their member producers.
- Remove registration, reporting, agency fee payment, and per pound penalty for noncompliance from the requirements of Chapter 70A.245 RCW. Trash bag PCRC would remain under Ecology oversight in Chapter 70A.245 RCW with the addition of other plastic product PCRC requirements. The PCRC product requirements in chapter 70A.245 RCW would be required, upon request, to provide a certificate of compliance.
- Create a deposit return system (DRS) for qualifying beverage containers to be operated by a distributor responsibility organization (DRO) on behalf of beverage distributors.

PART ONE: EXTENDED PRODUCER RESPONSIBILITY PROGRAM FOR PACKAGING AND PAPER PRODUCTS

Section 103 – Producer Responsibility Organization (PRO) Duties

Beginning October 1, 2024, producers of covered products would be required to join a PRO, or they would not be able to sell covered products in Washington State. The PRO would be required to register with Ecology and submit specific information as prescribed in the bill by July 15, 2024, and annually thereafter (until submittal of annual reports). A single PRO would be authorized to operate the EPR program until the completion of the first program plan.

By June 30, 2025, and annually thereafter, the PRO would submit an annual payment to cover Ecology costs to implement, administer, and enforce this chapter for the coming fiscal year. The PRO payment in June 2025 would cover Ecology’s consultant costs for the Performance Rate Study, Needs Assessment, and Advisory Council facilitation.

The PRO would submit a program plan to Ecology within six months of rule adoption. The PRO registered with Ecology as of January 15, 2026, would implement the approved plan by January 1, 2028, or within six months of plan approval, whichever is later, and submit an annual report for the prior calendar year by July 1, 2029, and annually thereafter.

PRO registered with Ecology after January 15, 2026, would be required to submit a plan within one year of registration, implement the plan within six months of approval, and submit an annual report by July 1st, beginning the first year after plan implementation.

Section 104 – Department Duties

By April 1, 2025, and annually thereafter, Ecology would be required to identify the annual costs to implement, administer, and enforce this chapter in the next fiscal year. The annual costs identified in April 2025 would include recovery of Ecology’s consultant costs for the Performance Rate Study, Needs Assessment, and Advisory Council facilitation to the account that paid those costs. Until rules are adopted to equitably determine fee amounts for the PRO in 2026, Ecology would be required to issue a general order and send notice to the PRO of their fee amounts due consistent with the general order.

Ecology would be required to review PRO plans and annual reports within 120 days of receipt and make them available for public review and comment for at least 30 days. Ecology would be required to review and approve PRO proposed performance rates within 90 days of receipt (submitted by January 1, 2025, per Section 111). The bill would authorize Ecology to adopt rules as necessary to implement, administer, and enforce this chapter. Rulemaking authority is also provided beginning in January 2029, and no more frequently than every five years to require PRO to provide additional collection service, including at public places and official gatherings.

Section 105 – Rate Study and Statewide Needs Assessment

Ecology would be required to conduct a performance rate study by October 1, 2024, and a statewide needs assessment by October 1, 2025. These studies would be conducted by a third-party consultant selected by Ecology and funded by the

PRO.

The PRO and Advisory Council (created in section 120) would have an opportunity to review and comment on the draft performance rates study prior to its completion. This study may be updated once every five years.

The final scope of the statewide needs assessment would be developed in consultation with the PRO with comments and recommendations from the Utilities and Transportation Commission (UTC) and Advisory Council. The needs assessment would be informed by the findings and recommendations of the reuse and recycling rate study conducted by Ecology's consultant and published in January 2023, the plastic packaging study conducted by Ecology's consultant and published in October 2020, as well as the approved PRO performance rate targets (submitted by January 2025).

The statewide needs assessment would provide information on statewide capacity, costs, gaps and needs of recycling service; education and outreach; available collection, transport, processing capacity and infrastructure. The needs assessment would also provide information for PRO funding requirements; costs and reimbursement rates for governments; potential service methods recommended by PRO during the study scoping process; cost factors and variables to be considered in the base cost formula to be used for local government reimbursement; a county-by-county survey and assessment of costs; and criteria to determine whether covered products are reusable, recyclable, or compostable. It would also evaluate social justice needs for the state's recycling system, assess how covered products relate to litter and marine debris and prevention options, and compile information about the presence of toxic substances in covered products and the impact on reuse, recycling, and composting systems. Ecology would be able to update the needs assessment at the request of the Advisory Council, PRO, and UTC to inform development of PRO plans.

Section 106 – Plan Participation Obligation – Stakeholder Consultation

Producers would be required to participate in a plan. A PRO would be required to actively conduct stakeholder consultation before submitting a plan to Ecology, including the Advisory Council, UTC, and other stakeholders. All comments must be documented by the PRO.

Section 107 – Plan Contents – Overview

The PRO plan would contain information on: PRO board membership; covered products/producers; producer fees/eco-modulation fees; waste prevention/reduction; use and investment in existing infrastructure; recycling and reuse rates; list of covered products; collection services and methods; convenience standards; service provider information; material recovery facilities (MRFs) and processors; education and outreach; residuals; how to ensure responsible management practices; base cost formulas for government reimbursement; contractual relationships; covered product contamination at compost facilities; stakeholder consultation; dispute resolution; coordination with other PRO; guidance for producers to meet the label requirements in Section 124; and anything added in rule.

Section 108 – Plan Approval, Updates, and Revisions

PRO plans would be required to cover five years of implementation. PRO plans would be submitted one year in advance of the expiration date. If the reuse and recycling rate targets set in the PRO plans were not met, plans would include an independent evaluation on how to improve rates. Stakeholder consultation would be required for each plan update or revision. The PRO could choose to revise plans and Ecology could request plan revisions outside of the plan revision schedule.

Section 109 – Contingency plan

A PRO would be required to submit a contingency plan to Ecology demonstrating how the activities in the plan would continue to be carried out by some other entity, if needed. Ecology would be required to follow the same process and timelines for reviewing and approving the contingency plan as for the PRO plan.

Section 110 – Collection and Management

A PRO would be required to document management, and provide collection of covered products, measure collection, reuse, recycling, and identify MRF locations. The PRO would have to submit a third-party assessment of proposed use of

advanced recycling technology for conversion of plastic, which Ecology would have to approve before it could count toward recycling. The PRO, MRFs, and other processors would be required to measure and annually report to Ecology (with third party verification): tons received, inbound and outbound quality and contamination, residuals, emissions, and labor metrics. Scrap metal recyclers would be exempt from reporting requirements unless they accept materials from a PRO.

Section 111 – Performance Rates

By January 1, 2025, any registered PRO would be required to submit to Ecology proposed performance rates for covered products to be achieved by the ninth year from the effective date of this section.

Section 112 – Funding Requirements

A PRO would be required to fully fund all activities and may not use a non-reimbursable point-of-sale fee. They would allow producers of magazines to satisfy their obligations through advertisements in their publications. A PRO would base the funding on the cost of managing material categories, or a similar approach, and use eco-modulated fees for producer funding.

Section 113 – Convenience Standards

A PRO would be required to ensure convenient collection services for covered products where they are sold or supplied in the state. Curbside collection would be provided to single and multi-family residents where curbside garbage service is provided. Alternative collection services would be authorized.

Section 114 – Government Agencies - Authority to Collect Covered Products

The services provided by a county, city or town under UTC authority may continue. A city, or town would be allowed to choose to not exercise its contracting authority, and services would be provided under UTC authority. Counties would be allowed to opt out of the EPR program by adopting an ordinance. The PRO would be required to reimburse governments delivering services. Governments would be able to collect additional materials than those in the plan but would not be reimbursed for those materials. A city, town, or county may not enact an ordinance requiring producers to provide additional services.

Section 115 – Cost Reimbursement for Services Provided by Government Agencies

A PRO would be required to provide reimbursement to local governments for curbside or other collection service. Reimbursement rates would be calculated using the base cost formulas negotiated in the stakeholder consultation process and established in the PRO's approved plan. Counties would be allowed, by adopting an ordinance, to opt out of the EPR program.

Section 116 – Cost Reimbursement for Services Regulated by the UTC

A PRO would be required to reimburse a UTC certificated company in accordance with the rates approved by the UTC. Services would be offered in all places curbside garbage collection service is provided, including single and multi-family residences, and include all covered products designated for curbside collection.

Section 117 – Infrastructure Investments

A PRO would be required to fund and support reuse and recycling infrastructure and market development in Washington State and report on investments in annual reports to Ecology.

Section 118 – Education and Outreach

A PRO plan would be required to implement an education and outreach component that includes requirements for messaging to reach diverse audiences, statewide campaigns, dealing with customer questions, materials, effectiveness evaluation, and coordinate with others carrying out education and outreach.

Section 119 – Annual Report

A PRO would be required to submit an annual report, starting July 1, 2028, and annually thereafter, for the prior calendar year. The reports would describe: the PRO board; producers, brands, list of covered products designated for collection;

weight of covered products reused, recycled, sent for energy recovery, landfilled, and other disposal methods; final destination of recycled materials; reuse/recycling by material category; quantity of products designed to be reused, recycled or composted; contamination rates; convenience metrics; location of curbside services; infrastructure investments; education and outreach activities and evaluation; actions to address life-cycle and design; Advisory Council engagement; total cost of plan implementation; and anything added in rule. All nonfinancial information submitted in the annual report would be independently audited and verified.

Section 120 – Advisory Council

By January 1, 2024, Ecology would be required to establish the 23-member council with representatives as prescribed in the bill. The council would meet quarterly, at minimum, in the first three years. Ecology would be required to provide staff support and facilitation necessary for the council to carry out its duties. Ecology would be allowed to select an impartial, third-party facilitator to provide support to the council.

The Council would be required to make recommendations on the reuse and recycling rate study, the statewide needs assessment, PRO consultation and plan and annual reports, rulemaking, and Ecology’s reviews of plans and annual reports. Council members that are representatives of tribes or tribal and indigenous services, or community-based and environmental nonprofit organizations would be eligible for reimbursements.

Section 121 – Confidential Business Information

PRO, MRF or other processing facility submitting information would be able to request Ecology hold the data confidential.

Section 122 – Prohibition on the uses of funds by PROs

Would prohibit a PRO from using funds for paying penalty, appeal of orders or penalties, litigation with the state, funding lobbying or advertising related to lobbying.

Section 123 – Enforcement Authority

Ecology would be authorized to impose a civil penalty of up to \$1,000 per violation per day for the first violation, and up to \$10,000 for second and subsequent violation. Ecology would be required to provide written notification of noncompliance prior to assessing a penalty. Ecology would offer producers 60 days to come into compliance. This section would authorize Ecology to issue orders, revoke the PRO plan, require plan revision, and require more reporting.

Section 124 – Truth in Labeling

Beginning January 1, 2027, the distribution, sale, or offering to sell any covered product, certified PCRC product, or qualifying beverage container that makes deceptive claims about recyclability of the product or its packaging, based on the definition of recyclable in this bill, and on covered products or qualifying beverage containers included for recycling in approved PRO or DRO plans, with certain exceptions. The PRO plan submitted under Section 107 would include guidance for producers to comply with the labeling requirements. Beginning August 1, 2023, a city, town, or county would be prohibited from enacting an ordinance restricting the distribution or sale of covered products or qualifying beverage containers displaying a symbol or statement indicating recyclability if the covered product or qualifying beverage container is designated for collection in a PRO or DRO plan, required to display the label by state or federal law, part of a widely adopted third-party labeling system, or using a chasing arrows symbol in combination with a 45 degree angle line.

Section 125 – Packaging registration clearinghouse

Ecology would be authorized to participate in the development and ongoing operation of a regional or multistate clearinghouse for the purpose of facilitating implementation of state laws and regulations on packaging and paper.

Section 127 – Account

This section would create the Responsible Packaging Management Account. All receipts collected by Ecology would be deposited in this account for Ecology’s costs for implementation, administration, and enforcement of the chapter created in Section 601.

Section 128 – Petition for Exclusion of Certain Products

Ecology would be authorized to consider excluding certain categories of products, subcategory of products, or individual products initiated by Ecology or upon a petition by a producer or PRO. The petition process would apply to certain medical products, poison prevention packaging, or other products subject to federal requirements. This process would be distinct from PCRC petition for adjustments and exclusions.

PART TWO: POSTCONSUMER RECYCLED CONTENT (PCRC) REQUIREMENTS

Section 203 - PCRC Requirements for PCRC Products

The PRO would be required to register with Ecology on behalf of each producer required to meet PCRC requirements beginning January 1, 2025. This section would provide the dates for which the PCRC products would be required to meet the minimum postconsumer recycled requirements. This section would allow the PRO to submit to Ecology an evaluation of market conditions, assessment of PCRC availability, and technological feasibility of PCRC requirements six months prior to the PCRC dates identified in sections 204 (1)(c) and (2)(c), 205(3), 206(2), 207 (1)(b) and (2)(b), and 208 (1)(b) and (2)(a). The PRO would include a one-year extension request in the submittal to Ecology. Ecology would have 30 days to review and approve, partially approve, or deny the one-year extension request. Ecology would be authorized to provide a report to the legislature for any need to revise the PCRC requirements.

Sections 204 - 208

These sections would provide the annual minimum PCRC percentages and their effective dates for the PCRC products in section 203 (plastic beverage containers; household cleaning products and personal care products; plastic tubs for food products; single use plastic cups; thermoform plastic containers).

Section 209 - PCRC Reporting by PRO

A PRO would be required to pay an annual fee to Ecology as specified in Part 1. Beginning April 1, 2025, a PRO would submit an annual PCRC report to Ecology. Six months prior to the initial effective dates listed sections 203 to 208, the PRO would submit a report to Ecology on the adequacy and commercial feasibility of third-party certifications. Ecology would have 30 days to review and approve, partially approve, deny or request additional information the PRO third party certification recommendation. If third party certifications are deemed to exist by the PRO and Ecology, producers would be required to maintain a certificate of compliance for their PCRC products. Ecology must coordinate providing copies of certificates of compliance at the requests of members of the public. The annual report may include petition for an exclusion or adjustment to the minimum PCRC requirements on behalf of their members. Ecology would be required to review and determine whether to approve PCRC reports, request producer certificates of compliance, provide reasons for not approving the report so the PRO could submit a revised report, and post the approved reports on its website.

Section 210 – Adjustments and Temporary Exclusions to PCRC Rates

Ecology would be authorized to review and determine whether to adjust the minimum PCRC percentage for the following year, considering several factors. Ecology would have to temporarily exclude a PCRC product from PCRC requirements when a PRO has demonstrated in the annual report or in a separately submitted petition that the producer can't meet the rate and comply with federal law, or it is not technologically feasible. The PRO would be required to submit producer registration data and reports to Ecology for temporarily excluded products.

Section 211 – Administrative Role and Enforcement by the Department

The PRO would be authorized to collect penalties from a producer for failure to pay fees, register, report, or achieve PCRC rates and remit them to Ecology. Penalty reduction requests would be submitted to Ecology by August. Ecology would be authorized to determine the penalty amount and reduce the amount, considering several factors, or require a corrective action plan in lieu of a penalty.

Section 212 - Rule-making Authority

Ecology would have authority write rules to implement, administer, and enforce the chapter.

Section 214 - 70A.245.020 Postconsumer Recycled Content

This section would require household cleaning and personal care products that are pesticides regulated under FIFRA in plastic containers that are in direct contact with the regulated product, trash bags, and plant pots or trays to meet PCRC rates. Ecology and the certified PCRC manufacturing industry may petition for PCRC rate adjustments.

Section 215 -70A.245.030 Producer Reporting Requirements (Certificates of Compliance)

This section would require certified PCRC producers to develop a certificate of compliance upon request. The certificate must be signed by an authorized official of the producer, kept on file for three years and furnished upon request. Ecology would be required to coordinate request for copies of the certificates of compliance from the public within 90 days.

Section 216 - 70A.245.040 Penalties for PCRC Requirements

Ecology would be authorized to impose a civil penalty of up to \$2,000 per violation per day for the first violation, and up to \$5,000 for second and \$10,000 for subsequent violations.

Section 217 - 70A.245.090 Department Duties

Ecology would be required to post PCRC information online. Ecology would be authorized to adopt rules to administer, implement, and enforce this chapter.

Section 218 – 70A.245.100 Account

This section would add Section 123 and section 211 and penalties specified in chapter 70A.--- RCW (the new chapter created in section 603 of this act) to the Recycling Enhancement Account.

Section 219 - 70A.245.120 Market Study

This section would add PCRC products subject to this chapter and products subject to PCRC requirements in Part 2 of the bill to the plastic resin market study. The plastic resin study must be completed by May 1, 2029, and may be conducted under the needs assessment in section 105.

Section 220 – 70A.245.060 Trash Bag Labeling Requirements

This section would require trash bag labels to indicate the percent of PCRC in the trash bag beginning January 1, 2025.

Section 221 – Plastic Collection Bins

This section would add a new section to chapter 70A.245 RCW requiring plastic collection bins (roll carts) for sale or distribution in Washington used for garbage or recycling to have 25 percent PCRC by January 1, 2024.

PART THREE: DEPOSIT RETURN SYSTEM (DRS) FOR BEVERAGE CONTAINERS.

Section 303 – Relationship with Part One and Part Two

The requirements of sections 304 through 319 would apply to qualifying beverage containers after the registration of a Distributor Responsibility Organization (DRO). The DRO would be required to register with Ecology by July 1, 2024. A producer of qualifying beverage containers would be required to satisfy PCRC requirements (Part Two) through participation in a PRO (Part One).

Section 304 – Distributor Responsibility Organization Duties

By October 1, 2024, or four months after DRO registers with Ecology (whichever is later), distributors of qualifying beverages would be required to join a DRO, or independently fulfill the duties of a DRO.

A DRO or independent distributor would be required to register, submit the required data in subsection (4) by January 15th of each year until annual reports are due, and submit an annual payment by June 30 of the fiscal year of the initial registration, and annually thereafter. The annual payment would fund Ecology's work to administer this chapter.

The DRO would submit a plan to Ecology by July 1, 2026, or six months after rule adoption, whichever is later. The DRO would implement the deposit return system by July 1, 2027, or one year after rule adoption, whichever is later. The DRO would be able to collect refund values up to 60 days prior to program startup.

A DRO would be prohibited from disseminating funds from unclaimed refunds as any form of profit to distributors and using funds from unclaimed refunds for legislative or political advocacy efforts that would require reporting to the Public Disclosure Commission.

Section 305 – Department Duties

Ecology would be required to implement, administer, and enforce the chapter, and would be provided with rulemaking authority to do so. Rules would be adopted by 2026. By April 1st of each year after the DRO has registered with Ecology, Ecology would be required to prepare a workload analysis that identifies the projected annual costs of the agency for the next fiscal year to implement, administer, and enforce the chapter, including rulemaking.

Ecology would be required to review, amend, and approve plans; review annual reports and determine it meets requirements in section 311; and review DRO records to determine compliance. Within six months of the date Ecology receives the annual report, Ecology would be authorized to require the DRO to conduct an independent audit to determine refund rate accuracy.

Distributors independently carrying out the duties of a DRO would be required to pay a fee to Ecology equal to 10 cents for each qualifying beverage container until the independent distributor begins operating a deposit return system.

After July 1, 2027, Ecology would be authorized to impose a civil penalty on any distributor who fails to participate in a DRO.

Section 306 – Reuse and Recycling Performance Requirements

A DRO would be required to show that all qualifying beverage containers are reusable or recyclable by January 2031, calculate the reuse and recycling rates in annual report, and meet the performance requirements as prescribed.

Section 307 – Operation of Deposit Return System

Ecology would review and approve the DRO plan that meets the requirements of Sections 304 and 305, includes the information required in this section, includes a 10-cent refund value on qualifying beverage containers of 4 ounces up to 1 gallon, and includes a method for paying the redemption value. The DRO would be required to provide at least 270 geographically convenient bulk drop-off sites at no cost to customers. The DRO would provide ten more drop off sites within two years of implementation. The DRO would be required to track, verify, and report the responsible management of the qualifying beverage containers, meet human health and environmental protection standards, quality standards for recycled materials, and promote reuse, among other factors as described in this section. The DRO would be required to submit an updated plan to Ecology by July 1, 2031, and July 1, 2036. A DRO would be required to include in its plan submitted to Ecology for approval, including descriptions of how the DRO will coordinate with PROs, identify bottles that it will not accept or pay refunds for, conduct education, and outreach activities, and accept and pay refunds for containers collected by material recovery facilities or other government entities. Ecology would be required to inform the appropriate committees of the Legislature by December 1, 2031, and December 1, 2036, if it deems a plan insufficient after providing a 60-day cure period for a DRO to remedy any insufficiencies initially identified by Ecology.

Penalties for a DRO's failure to achieve performance requirements would be deposited in the Model Toxics Operating Account.

The DRO would remit \$15 million per year for the first five years of implementation, to Commerce's Recycling Revenue Augmentation Fund. Commerce would manage and distribute these funds.

Section 309 – Annual Report

The DRO would be required to submit an annual report to Ecology beginning July 1, 2028, and annually thereafter, to include the information required in this section.

Section 310 – Consumer Convenience Advisory Council

Six months after DRO registration, in coordination with Ecology, the DRO would establish a council to advise on bag drop locations. The council would meet twice yearly.

Section 311 – Consumer Convenience Assessment

In the fourth and ninth year of DRS program implementation, Ecology, in consultation with the DRO and the Consumer Convenience Advisory Council, would conduct an assessment of consumer convenience. The DRO would contract with and pay for an Ecology approved third-party consultant to conduct the assessment. The consultant would make recommendations to Ecology, the DRO, and the council to increase consumer convenience and enhance performance. The DRO would address the recommendations in the updated plans submitted to Ecology in 2031 and 2036.

Section 312 – Small-Scale Refund Program

Manufacturers who distribute their own beverages would be able to submit plans to operate a small-scale deposit return refund program if they sell less than 10,000 qualifying beverage containers per year in reusable containers and apply a refund value of more than 10 cents to their beverage containers.

Section 313 – Education and Outreach

Each DRO plan would be required to include education and outreach activities that effectively reach diverse residents, are accessible, clear, and support the achievement of the performance rates. A DRO would coordinate with government entities and have a consistent messaging and statewide program.

Section 315 – Civil Penalties for DRO

Ecology would be authorized to impose a civil penalty up to \$200 to \$500 per violation per day for a DRO violation of the plan or performance requirements.

Section 318 – DROP Account

This section would create a Deposit Return Organization Program Account. All receipts received by Ecology under this chapter must be deposited in the account. The account is to be used by Ecology for implementing, administering, and enforcing this chapter.

Section 319 – Contingency Plan

If a DRO ceases to exist and operate, qualifying beverage containers become covered products under Part 1.

Section 320 would exempt the 10-cent refund value applied to qualifying beverage containers from the Business and Occupation Tax.

Section 321 would exempt the 10-cent refund value applied to qualifying beverage containers from the Litter Tax.

PART FOUR: Amendments to Solid Waste Management Laws

Sections 409 to 415 would amend existing laws to provide Ecology the authority to require producers or distributors to register and submit data, reports, fees, and other information to the packaging registration clearinghouse (section 126), in lieu of submission to Ecology. The amended laws include Toxics in Packaging Chapter 70A.222 RCW, Safer Products Washington Chapter 70A.350 RCW, Postconsumer Recycled Content Chapter 70A.245 RCW, Mercury-containing Lights Chapter 70A.230 RCW, Brake Friction Material Chapter 70A.340 RCW, and Anti-fouling boat paints Chapter RCW 70A.455, and the new chapter in Part 3 of this bill.

Sections 416 to 418 would amend existing laws to allow permitting and siting of storage or drop off containers meet the requirements in section 307(12)(b) for towns, cities, and counties.

PART FIVE: Miscellaneous provisions

Section 504 – Feasibility Study

Ecology would be required to contract for a feasibility study on convenience options for takeback programs in the state, use an independent contractor, and consult with the Department of Health for medicine take-back products. Policy recommendations would be due to the Legislature by December 1, 2025.

Section 505 – Litter Tax Study

Ecology and the Department of Revenue (DOR) would be required to consult with the PRO and DRO on a litter tax study. By January 1, 2029, Ecology, in consultation with DOR, would be required to provide recommendations to the Legislature on the applicability of the litter tax being applied to covered products and qualifying beverage containers.

Section 506 – Home Composting Standards

By December 1, 2024, Ecology would be required to evaluate best practices in other jurisdictions and any applicable federal requirements for the labeling of items as “home compostable” and submit a report to the Legislature recommending testing and labeling standards by December 1, 2024.

Section 507 would repeal the Recycled Content Account, effective July 1, 2029.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The cash receipts impact to Ecology under this bill is greater than \$50,000 beginning in FY 2024 and ongoing for the new fees established in sections 104, 214, and 305. Ecology assumes no penalty collections for the penalty authority established in sections 123, 211, 216, 305, and 315. Penalty revenue is unknown and therefore not estimated in this fiscal note.

Fees (Sections 104, 214, and 305)

Responsible Packaging Management Account (RPMA)

Section 104 (2) would require Ecology to determine an annual fee (for the following year) to be paid by each producer responsibility organization (PRO) to adequately cover Ecology’s implementation, administration, and enforcement costs for the chapters created in sections 601 and 602, in addition to the costs of the performance rates study and statewide needs assessment (section 105), and support and facilitation of the advisory council (section 120), by April 1, 2025, and annually thereafter.

Section 103 (4) would require the PRO to submit an annual fee payment by June 30, 2025, and annually thereafter, to cover Ecology’s costs for the next fiscal year, as determined in section 104. The June 30, 2025, PRO payment would also include Ecology’s contractor costs for the performance rate study, needs assessment, and advisory council facilitator.

Ecology assumes the first fee receipt collections would be for FY 2026 (billed in FY 2025). One PRO would be subject to the annual payment to support implementation of the EPR program and the PCRC requirements established in the chapter created in section 602. All receipts would be deposited in the RPMA (section 127), except for the portion of the FY 2026 payment to recover the contractor costs identified in section 103(4)(a)(ii) and (iii) would be deposited in the MTCA-Operating Account. Section 104(2)(b) specifies that the workload analysis prepared in April 2025 must include contractor costs in section 103(4)(a)(ii) and (iii), and that this portion of the fee must be deposited in the account that paid for these

costs. Based on this, Ecology assumes that we would recover the contractor costs incurred in FY 2024 and FY 2025 in MTCA-Operating.

Estimated RPMA Revenue

FY 2026: \$1,152,620

FY 2027: \$613,715

FY 2028: \$667,590

FY 2029: \$776,031

Estimated MTCA-Operating Revenue

FY 2026: \$502,500

Recycled Content Account (RCA)

Sections 214, 215, 216, and 217 would repeal significant portions of the current post-consumer recycled content (PCRC) requirements in Chapter 70A.245 RCW, including Ecology's authority to issue an annual fee to producers to cover Ecology's estimated operating costs. Section 507 would repeal the provisions establishing the RCA, effective July 1, 2029.

Ecology assumes all workload and associated costs for administering Chapter 70A.245 RCW under current law, and revenue for the corresponding annual fee, would be eliminated.

Estimated RCA Revenue

FY 2024 and ongoing each FY thereafter: -\$482,000

Deposit Return Organization Program Account (DROP Account)

Section 304 (5) would require DRO to submit an annual fee payment by June 30th of the fiscal year of initial registration, annually thereafter, to cover Ecology's costs in section 305. Fees would be deposited in the DROP Account created in section 318.

Section 305 (2) would require Ecology to determine an annual fee (for the following fiscal year) to be paid by each DRO to adequately cover Ecology's implementation, administration, and enforcement costs for the chapter created in section 603, by April 1st of the year a DRO has notified Ecology of intent to implement a deposit return system under section 302, and annually thereafter.

Section 305 (6) would allow a distributor independently fulfilling the duties and requirements of a DRO to pay a fee in lieu of the fee payment described in section 304 (5). The alternate fee would be ten cents per qualifying beverage container. For purposes of the fiscal note, Ecology assumes all distributors would choose to sign up with a DRO and not operate independently as a DRO. Based on this assumption, Ecology assumes no cash receipts from the alternate fee in section 305 (6).

Ecology assumes one DRO would register to operate a deposit return system on July 1, 2024. The first fee receipt collections would be due June 30, 2025 (for FY 2026). Ecology assumes one DRO would be subject to the annual payment to support implementation of the DRS program. If more than one DRO were to implement the requirements of section 304, annual fees would be allocated among the DRO based on each DRO's proportionate share of qualifying beverage containers managed by weight.

For purposes of this fiscal note, Ecology assumes changes in cash receipts are shown to match expenditure changes by fiscal year consistent with the bill's intent.

Estimated DROP Account Revenue
FY 2026 through FY 2029: \$301,406

Penalties (Sections 123, 211, 216, 218, 305, and 315)

Section 123 would provide authority for Ecology to assess penalties of up to \$1,000 per violation per day, and up to \$10,000 per violation per day for the second and each subsequent violation of the new chapters created in sections 601 and 602. Any penalty collections would be deposited into the RPMA.

Section 211 would subject a PRO out of compliance with the requirements of the chapter created in section 602 to the penalty provisions of section 123.

Section 216 would provide authority for Ecology to assess civil penalties of varying specified levels based on the number of violations of the provisions of RCW 70A.245.020, 70A.245.030, or 70A.245.060. Per sections, 216 and 218, any penalty collections under sections 123, 211, or 216 would be deposited into the Recycling Enhancement Account (REA).

Section 305 would require Ecology to impose civil penalties to distributors who fail to comply with the requirements of the chapter and do not comply following formal notice, of at least 15 cents per qualifying beverage container, or \$10,000, whichever is greater. Any penalty collections would be deposited in the DROPA.

Section 315 would provide authority for Ecology to assess penalties of up to \$200 per violation per day and no more than \$500 per violation per day to a distributor responsibility organization that fails to comply with requirements after formal notification.

Ecology would work with the PRO, DRO, producers, and distributors, when applicable, to bring them into compliance; Penalties are assumed to be limited, but unknown, and therefore are not estimated in this fiscal note.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Years (FYs) 2024 and ongoing to implement the requirements of sections 102-110, 120-121, 123-125, 127-128, 203, 209-222, 304-305, 307, 309-313, 315, 503, 505, and 506.

Ecology assumes the costs associated with rulemaking and other fee-funded activities would be funded one-time with MTCA – Operating in FY 2024 and FY 2025 for the fee-eligible portions of parts one, two, and three of the bill. Ecology's costs to implement the provisions of sections 312 (small-scale refund program), and 504 (feasibility study)-and the PCRC certification requirements in sections 214-221 are assumed to be funded with MTCA-Operating, because they would not be fee-eligible. MTCA supports the state's responsibility for solid waste management, regulation, enforcement, technical assistance, and public education under chapter 70A.205 RCW. Ecology's costs to implement section 506 (home composting standards) would be funded one-time with General Fund - State (GF-S) because the provisions under this section would support product labeling and degradability efforts under chapter 70A.445 RCW, and this activity is funded with GF-S.

Estimates of agency costs are based on Ecology's experience implementing extended producer responsibility (EPR) programs for electronics, mercury lights, photovoltaic modules, and paint and implementing the PCRC requirements for plastic containers (chapter 70A.245 RCW).

Ecology's fiscal impact estimates are also based on the experience of the British Columbia (BC) Ministry of Environment in the start-up and oversight of their EPR program for packaging and printed paper. There are three producer responsibility

organizations (PROs) operating in British Columbia covering residential curbside packaging and printed paper, beverage containers, and news media. There are 1,800 companies participating in the three PRO programs operating in BC for packaging and printed paper. The bill would allow only one PRO for startup (until the end of the first plan implementation), but a similar number of producers, and brands would be anticipated in Washington for the program that would be established for PART ONE of this bill.

PART ONE - EXTENDED PRODUCER RESPONSIBILITY (EPR) FOR PACKAGING & PAPER PRODUCTS AND PART TWO – POST CONSUMER RECYCLED CONTENT REQUIREMENTS

Administration/Oversight (Sections 103, 104, 110, 121, 123, 124, 125, 127, 128, 203, 209, 210, 211, 212):

The bill would require a single producer responsibility organization (PRO) to be established and register with Ecology for program startup through the completion of the first 5-year program plan. The bill (Section 103) would require Ecology to accept only one registration of a single PRO. Based on early experiences in Colorado, Ecology assumes two PROs would register and Ecology would need to select which PRO to accept.

Ecology assumes 2,000 producers would be required to join the PRO. For this fiscal analysis, Ecology assumes 20 percent of these producers would require technical assistance to come into compliance during the initial start-up period (first three years) and that each year 100 producers would require ongoing technical assistance. Based on experience from EPR programs in BC, Ecology assumes compliance support to the PRO and producers would be needed. Technical assistance would include providing regulatory interpretations for producers and PRO regarding the requirements of this bill and notifying producers who have not registered with the PRO of their noncompliance status. Ecology would conduct enforcement actions when necessary to ensure producer compliance. Ecology assumes technical assistance would be ongoing, heavier in first three years and would reduce in the following years. Based on the BC program, ongoing enforcement would be required for the PRO-operated program and 2,000 producers would be required to comply.

Beginning in FY 2024, Ecology would provide outreach and technical assistance to producers and the PRO regarding the requirements of this bill including registration (required starting July 2024), determining agency annual workload cost (required by April 2025) for oversight of Part One and Part Two of this bill, establishing a general order (until rule adoption) and invoicing PRO fee payments (due to Ecology June 2025) for costs to oversee Part One and Part Two of this bill, reviewing the PRO proposed performance rates (due by January 2025), confidentiality requests, and enforcement efforts. Ecology would also provide technical assistance to solid waste service providers, processors, and local governments. Ecology would regularly consult with the advisory council, UTC, and the PRO on significant program efforts, the performance rate study, and the needs assessment.

Ecology would participate in PRO stakeholder consultation efforts providing technical assistance, attending public events and discussions, and reviewing education and outreach materials. Ecology would consider exclusion of certain products including petitions from the PRO or producers, review and approve the PRO submitted plan (due to Ecology by July 2026). In 2026, Ecology would conduct education and outreach to producers in Parts One, Two, and Three regarding the truth in labeling requirements for packaging recyclability.

Following PRO plan approval, program implementation oversight work would include ensuring producers and PRO are following program requirements. Ecology would also consider participating in a regional or multistate clearinghouse for packaging, including research and outreach to existing clearinghouse efforts in other states. Ecology would develop a combined list of laws and rules that apply to packaging and paper products, reach out to existing multistate clearinghouses to determine the best path forward for Washington State. Ecology would conduct this research and work with other state agencies to determine if a multistate clearinghouse for producer information would be beneficial to the program.

PRO annual reports would be due to Ecology starting in July 2029 for the prior calendar year, and annually thereafter. Ecology would review annual reports to ensure program implementation meets all required plan elements.

Ecology's ongoing compliance efforts would include, as needed, follow up with the PRO and producers with technical assistance, and conducting enforcement for the PRO or producers not meeting the program requirements. Enforcement would include warning letters to non-compliant producers or the PRO, listing non-compliant producers on a website. Ecology would work with the producers and the PRO to come into compliance.

Ecology estimates 0.75 full time equivalent (FTE) Environmental Planner 4 (EP-4) would be required in FY 2024 and ongoing. Program duties include: provide technical assistance to producers and the PRO regarding the requirements of this bill, including notifying producers who have not registered with the PRO of their noncompliance status and conducting enforcement actions when necessary to ensure producer compliance; education and outreach to producers in Parts one, two, and three regarding the truth in labeling requirements; ensuring the PRO conducts their duties with sufficient efforts to consult and provide service to overburdened communities and vulnerable populations; research and outreach regarding a regional packaging clearinghouse; and working with local jurisdictions and other interested parties to resolve questions about the program. Ecology would review and approve the PRO proposed performance rate, which would be submitted to Ecology by January 1, 2025.

Ecology estimates 0.10 FTE Budget Analyst 4 (BA-4) would be required in FY 2025 and 0.05 FTE in FY 2026 and ongoing to develop and update the annual workload model and make necessary adjustments to the annual fee payment consistent with section 104(2)(b).

Ecology estimates 0.75 FTE Environmental Specialist 3 (ES-3) would be required each year in FY 2024 and FY 2025, and 0.50 FTE in FY 2026 and ongoing to: register the PRO July 15, 2024 (and every July after); collect and manage submitted information; inform the PRO of their fee payments by April 1, 2025 (and every April after); invoice the PRO and collect PRO payments due June 30, 2025 (and every June after); consider requests from the PRO or producers to hold data confidential; review of annual report data regarding recycling and reuse rates; provide enforcement support to the EP-4; and annually update information posted on the agency's website.

Ecology estimates 0.10 FTE Communications Consultant 3 (CC-3) would be required in FY 2024 to create a public website and 0.05 FTE in FY 2025 ongoing to update the website. The website would provide information about PRO, member producers, and covered products.

Ecology estimates 0.25 FTE Environmental Specialist 4 (ES-4) each year in FY 2025 through FY 2027, and 0.1 FTE ES-4 starting in FY 2028 and ongoing, would be required for regional staff work across the state to provide technical assistance to local jurisdictions regarding the PRO and impacts on local planning, support the PRO, conduct stakeholder consultations, and to answer questions from residents, businesses, and local agency staff and elected officials regarding the program. Ecology assumes the PRO would start working with local jurisdictions beginning in FY 2025 and Ecology would provide statewide technical support to cities, counties, and the local solid waste collection companies then.

Plan Review (Section 104, 106, 107, 108, 109)

The bill would require one PRO to submit a program plan in July 2026 (FY 2027), (this assumes rule adoption by January 2026). Additional technical, policy, and communications expertise would be required to conduct reviews of the PRO submitted plan. Based on Ecology experience, technical assistance would be provided to the PRO prior to plan submittal and for any needed plan amendments.

The bill would require Ecology to approve the plan within 120 days. Based on EPR plan review experience, Ecology assumes one PRO plan amendment would be required. Ecology assumes the PRO plan would be approved by December 2026, and the PRO would implement the plan by July 2027 (FY 2028). Plan review and approval work would occur again in FY 2032 for the first plan update due within five years and be repeated every five years thereafter. After this time, more than one PRO would be able to submit plans.

Ecology estimates 0.4 FTE EP-4 would be required in FY 2027 to review one PRO plan, work with the advisory council,

work with the PRO on at least one plan revision, incorporate public comments, and approve the plan.

Ecology estimates 0.4 FTE ES-4 would be required in FY 2027 to assist in plan review, work with topic and policy experts, work with the advisory council comments on the plan, and assist with the PRO plan public comment periods.

Ecology estimates 0.10 FTE EP-5 topic and policy expert would be required in FY 2027 to review and approve the submitted PRO plan, review of any advanced technology, responsible management practices, eco-modulation fees, collection service, and other technical issues.

Ecology estimates 0.10 FTE COEES-3 in FY 2027, supported by the ES-4, to manage the public comment review of the PRO plan, and work with the advisory council comments on the plan. They would manage the agency online comment platform, review comments, and provide a summary of council and public comments. They would also help draft the required responses to advisory council comments. The plan would require a 30-day public comment period.

Performance Rate Study and Statewide Needs Assessment (Section 105)

The bill would require Ecology to contract for a performance rate study and statewide needs assessment. Ecology assumes the consultant hired to do the performance study would also conduct the needs assessment. The performance rate study would be completed by October 1, 2024. This study would recommend performance rate targets to be achieved by 2032, the ninth calendar year after bill passage. By January 1, 2025, the PRO would submit proposed overall performance rate targets to Ecology for review, including 30-day public comment, and approval.

The bill would require the needs assessment to include a county-by-county assessment and take into consideration the results of a survey to all county and city governments. The assessment would be completed by October 2025. Ecology would consult with the PRO on the scope of the needs assessment and consider comments from the Advisory Council and UTC. The PRO, UTC, and Advisory Council would provide input on the needs assessment as well as the draft report. The needs assessment would incorporate findings and recommendations from the performance rate study and the Ecology-approved PRO performance rate targets.

Ecology assumes a consultant would be hired by September 2023 (FY 2024) to conduct the performance rate study and needs assessment. The performance rate study would be completed by October 2024, and the needs assessment would be completed by October 2025. Ecology would hire and oversee the consultant conducting the performance rate study and needs assessment, including consultation with the UTC, advisory council, and PRO on the draft performance rate study, scope of the needs assessment, and draft needs assessment as well as offering opportunities for public comment on both reports. Based on our experience implementing the finance study (E2SHB 1799), Ecology assumes the county-by-county assessment requirement would increase the cost associated with the needs assessment.

This work would require 0.5 FTE EP-4 in FY 2024, 0.6 FTE FY 2025 and 0.15 FTE in FY 2026 to hire the consultant, manage the contract, assist the consultant with contacts for the local government survey, provide technical review of the draft report, and coordinate draft report review and consultation with the advisory council, PRO, and UTC. Ecology assumes the cost of the performance rate study would be comparative to the 2022 consumer packaging study (Senate Bill 5693 Section 58), and the needs assessment would be comparative to the 2019 plastic study (Chapter 70A.520 RCW) due to the complexity and scope of the assessment.

Ecology estimates \$150,000 would be required for the performance rate study, \$125,000 in FY 2024 and \$25,000 in FY 2025, which is shown in Object C. This study would be completed before the PRO would be required to pay Ecology costs.

Ecology estimates \$350,000 would be required for the needs assessment, \$262,500 in FY 2025 and \$87,500 FY 2026, shown in Object C. Ecology assumes the needs assessment would be updated within five years, with a more focused scope. Ecology estimates \$100,000 for a consultant contract and 0.25 FTE EP-4 would be needed in FY 2029 to conduct a needs assessment update.

In FY 2024 and FY 2025, all costs for this section would be funded in MTCA-Op before PRO fees take effect. However, the contractor costs related to the needs assessment and rate study would be funded by the PRO in the FY 2026 payment. This portion of the fee amounts would reimburse MTCA-Op.

Advisory Council (Section 120)

Ecology assumes the advisory council would be established in FY 2024 (January 2024), and Ecology would consult with this advisory council during program startup efforts. The work to establish the council would be conducted by Ecology. Facilitation of the council would be conducted by a third-party facilitator hired by Ecology. Members of the council or their designee who represent tribes or tribal and indigenous services and community-based and environmental nonprofit organizations would be reimbursed for travel expenses to the extent allowed per RCW 43.03.050 and 060 or RCW 70A.02.050.

Beginning in FY 2024, Ecology would attend council meetings, oversee the third-party facilitator, manage the contract, provide reimbursements to council members as requested, and provide other staff support to the council. This work would be higher for the first three years (FY 2024 to FY 2027) of quarterly council meetings and less in the second half of FY 2027 and ongoing for semiannual meetings. Ecology estimates 0.30 FTE EP-4 in FY 2024 and 0.20 FTE EP-4 in FY 2025 and FY 2026, and 0.10 in FY 2027 and ongoing.

Ecology assumes a contract with a professional facilitator would be required for the advisory council meetings to ensure all council members have a voice in the PRO and Ecology efforts detailed in the bill. Ecology further assumes that the third-party facilitator would coordinate council meetings, set agendas, schedule meeting, prepare materials, take notes, prepare council comments on Ecology and PRO activities, and assist the council in development of bylaws and charter. The facilitator would work with the council's diverse membership to provide comments and recommendations to Ecology and the PRO on the implementation of the EPR program, the performance target rate study, and the needs assessment. Based on Ecology's experience with a third-party facilitator hired for the plastic stakeholder advisory committee required in Engrossed Second Substitute Senate Bill 5022 (2019 legislative session), Ecology estimates the cost of this professional services contract would be \$15,000 per advisory council meeting. Section 121 (6) would require the council to meet a minimum of every three months for the first three years. The advisory council would begin meetings in January 2024, meet quarterly for at least three years from January 2024 to December 2026, and continue semiannual meetings ongoing after January 2027. Costs are estimated at \$30,000 in FY 2024 for two meetings, \$60,000 each year in FY 2025 and FY 2026 for four meetings, \$45,000 for three meetings in FY 2027, and \$30,000 for two meetings in FY 2028 and ongoing.

Ecology assumes that there would be five members of the board who would receive reimbursement for travel. Ecology estimates that private vehicle mileage plus per diem would be \$350 per person per meeting, for a total estimate of \$1,175 per meeting. Reimbursements would be based on documents submitted per the RCWs, in a form prescribed by Ecology. Costs are estimated to be \$3,500 for two meetings in FY 2024, \$7,000 for four meetings each year in FY 2025 and FY 2026, \$5,250 for three meetings in FY 2027, and \$3,500 for two meetings in FY 2028 and ongoing each year thereafter, in Object G.

In FY 2024 and FY 2025, all costs for this section would be funded in MTCA-Op before PRO fees take effect. However, the contractor costs related to supporting the advisory council would be funded by the PRO in the FY 2026 payment. This portion of the fee amounts would reimburse MTCA-Op. Because the Advisory Council falls within the requirements to implement this chapter and are thus eligible to be fully funded by PRO fees, FY 2026 costs are assumed to be in the Responsible Product Management Account (RPMA).

AAG Support – EPR Program and PCRC requirements

Our Assistant Attorney General (AAG) has estimated that the following staff time in the Office of the Attorney General (ATG) would be needed to provide legal support for rulemaking, and advice and representation in support of Ecology's

enforcement to ensure producer participation (i.e., registration and annual fee payments starting June 2025, determining responsible parties starting January 2023, enforcement letters, penalties) in FY 2024 through FY 2027. In addition, ATG advice and representation would be needed in support of Ecology's enforcement of program implementation. Estimated workload and costs are 0.04 FTE AAG and 0.02 Legal Assistant (LA) for a total of \$9,600 in FY 2024, 0.17 FTE AAG and 0.08 FTE LA for \$44,000 in FY 2025, and 0.15 FTE AAG and 0.08 FTE LA for a total of \$38,100 each year beginning in FY 2026 and ongoing. Costs are included in Object E.

PCRC requirements for PRO (Sections 203, 209, 210, 211, 212)

Beginning January 1, 2025, and annually thereafter, the PRO established in Part One of this bill would be required to register with Ecology on behalf of all member producers of PCRC products. The PRO would be responsible for identifying member producers required to meet PCRC requirements, annually collect producer fee payments and data required to be reported to Ecology. The PRO would submit an annual report to Ecology beginning April 1, 2025, and annually thereafter.

PCRC products include plastic beverage containers, plastic household cleaning product containers, plastic personal care product containers, plastic tubs, thermoform plastic containers, and single-use plastic cups.

Beginning July 2023, Ecology would provide technical assistance regarding PCRC requirements to producers of PCRC products. This technical assistance would be ongoing, as the PCRC rates apply to different products at different dates and at different levels. As Ecology is currently in the middle of rulemaking for Chapter 70A.245 RCW, confusion and clarification would be expected for the regulated community to explain the changes if this bill passes. This would require updating Ecology's website and providing clear communication materials. The bill requires producers of PCRC products to report to Ecology under the methods developed for Chapter 70A.245 RCW in 2024, until the PRO takes over this role in 2025.

Ecology would review, approve, or deny PRO submitted evaluations of third-party certifications for each product category, as the PCRC requirement dates take effect, to determine the availability and adequacy of the certification. The PRO third party certification evaluations would be submitted to Ecology six months prior to the initial PCRC effective dates for each product category. If adequate third-party certifications exist, producers of PCRC products would be required to maintain a third-party certificate stating compliance with the PCRC requirements within a year of the of the date the requirements take effect. Ecology would be required to handle requests from the public for these certificates; producers would have 60 days to supply the certificates to Ecology and Ecology would have 90 days to supply them to the public.

After January 2025, Ecology would provide ongoing technical assistance for PCRC compliance, including ensuring regulated producers join the EPR PRO and come into compliance with the requirements. Ecology assumes evaluations to adjust or provide temporary exclusions to the PCRC requirements would occur annually and start a year before the minimum recycled content requirements begins. PRO petitions would be expected the year before PCRC rates apply and be ongoing, beginning in FY 2024, as producers would likely petition for reduced requirements to avoid being out of compliance. Ecology's evaluations would be based on research on market conditions, recycling rates, availability of recycled plastic, infrastructure capacity, and covered product producers' progress to achieving the goals, and determine if the minimum standards for the product packaging should be adjusted. Ecology would evaluate producer submitted data in the process of determining recycled content adjustments, or temporary exclusions. Ecology would be required to make PCRC reports, including requests for adjustments or temporary exclusions, available on the website for review and public comment for at least 30 days. Ecology would be required to grant adjustments or temporary exclusions for PCRC products that meet a list of criteria. Ecology assumes data about the availability of multiple types of recycled content plastics resins would be purchased from an independent third-party organization a year prior to when the rates would apply beginning in FY 2026, at an estimated cost of \$30,000 per year starting FY 2025 and annually thereafter.

Based on recent presentations by industry trade groups about the lack of widely available polypropylene (PP) and polyethylene terephthalate (PET) thermoform resin approved for food contact by the U.S. Food and Drug Administration, Ecology assumes annual review of these elements would be warranted. Ecology assumes annual PRO petitions for each of

the PCRC covered products. Ecology would conduct research on market conditions, recycling rates, availability of recycled plastic, infrastructure capacity, and PCRC product producers' progress to achieving the goals and determine if the minimum standards for the PCRC product container categories or types should be adjusted. Ecology assumes temporary exclusion requests would apply to each category of PCRC products. These requests would be expected every year starting with the PRO PCRC annual report submitted in April 2025. Ecology would evaluate producer submitted data in the process of determining recycled content adjustments or temporary exclusions from PCRC requirements.

Ecology would review PRO PCRC annual reports, submitted evaluations of third-party certifications, determine producers not in compliance with the minimum PCRC requirements, notify the PRO of the PCRC product producers out of compliance, calculate the penalty, and consider PCRC rate adjustments by PCRC product category or type, penalty reductions, or corrective action plans in lieu of penalty. Penalty assessments, adjustments, reductions, and determinations would begin in June 2025 and be ongoing every June thereafter.

Beginning in June 2030, the PRO would have the option to annually submit a request for a one-year extension of the PCRC requirements for product categories, based on market conditions, PCRC availability, and technological feasibility. Ecology would review these extension requests within 30 days to approve, partially approve, deny, or request additional information. Ecology would be able to renew an approval annually or report to the legislature any need to revise these requirements. Ecology assumes these requests would be part of the annual review of extensions and adjustments. Ecology assumes additional efforts would be needed to review and approve the PRO third-party certifications evaluations.

Ecology estimates 0.60 FTE EP-4 each year in FY 2024 and ongoing to provide technical assistance, ensure producer compliance, review annually reported PCRC data from the EPR PRO, manage requests for confidential information request, review requests and petitions for adjustments or exclusions, review PRO submitted third party certification evaluations, handle requests for PCRC certificates of compliance, and determine penalty assessments or reductions.

Ecology assumes rulemaking would be required to implement the PCRC requirements. This rulemaking would be included in the rule completed for Part One of this bill.

Elimination of Ecology oversight of PCRC for plastic beverage containers, household cleaning products and personal care product containers (Sections 213-220)

Sections 213 through 217 would repeal significant portions of the current post-consumer recycled content requirements in Chapter 70A.245 RCW and invalidate the provisions Chapter 173-925 Washington Administrative Code (WAC). For the purposes of this fiscal note, Ecology assumes this change would become effective on July 1, 2023, and would eliminate funding authority for the program beginning that first day of FY 2024.

Rulemaking is currently in progress, and rule adoption for Chapter 173-925 WAC is planned for late calendar year 2023. Ecology would suspend rulemaking for Sections 213 through 217, and the rule would not be adopted.

Based on the 2023-25 Carryforward Level Operating Budget, Ecology's budget would be reduced by 4.4 FTE and \$964,000 in the Recycled Content Account in the 2023-25 biennium and ongoing.

For this fiscal note, direct FTE reductions are shown at an average Environmental Specialist 3 level, with FTEs reduced by 3.82 direct FTEs and 0.58 FTEs for agency indirect support. In addition to the staff cost reduction, an additional reduction of \$29,295 in Object E in each fiscal year represents other non-staff-related costs for the PCRC law implementation that would need to be reversed. Spending authority in the Recycled Content Account would be reduced as follows: -\$482,000 in FY 2024 and ongoing each fiscal year thereafter.

Ecology's oversight of certified PCRC products (Sections 213-222)

Producers of certified postconsumer recycled content products would be required to meet PCRC minimums by specific

dates. Certified postconsumer recycled content products would include plastic trash bags, plant pots or trays, and pesticide product containers in plastic containers that are in direct contact with the regulated product. The producers of those products would be required to meet PCRC rates and, upon request, provide evidence or certificates of compliance. Plastic collection bins, or roll carts, would be required to meet PCRC requirements, would be required to provide evidence of meeting the requirements, upon request.

Beginning July 2023, Ecology would provide outreach and technical assistance regarding recycled content requirements to producers of plastic trash bags, pesticide product containers, plant pots or trays, and plastic collection bins. Ecology would provide ongoing technical assistance, and would assist producers with the certificate of compliance requirements and provide information on its website regarding the recycled content requirements. Ecology would review requests for adjustments or temporary exclusions for certified postconsumer recycled content products. Ecology assumes these requests would be received annually for all product categories excluding plastic collection bins, which do not have this option.

Ecology assumes rulemaking would not be required to implement the requirements on producers of certified postconsumer recycled content products in Sections 213-222.

Ecology estimates 0.25 FTE EP-4 each year in FY 2024, FY2025, and FY2026, and 0.15 FTE EP-4 in FY 2027 and ongoing to provide technical assistance, ensure producer compliance, review requests for adjustments or exclusions, request certificates of compliance, and determine penalty assessments or reductions for the products required to meet the PCRC rates.

Market Study (Section 219)

If funding is appropriated prior to January 1, 2028, Ecology would be required to contract with a research university or an independent consultant to study plastic resin markets for analyzing market conditions and opportunities in the state's recycling industry for meeting minimum PCR content requirements and/or certification requirements specified in this act. The study would also determine the data needs and tracking opportunities to increase the transparency and support of a more effective, fact-based public understanding of the recycling industry. The study must be completed by May 1, 2029. Ecology assumes funding would be appropriated in the 2027-29 carryforward budget. Ecology assumes a comprehensive analysis of plastic resin markets to assess the ability to support the ongoing PCR content requirements. The analysis would need to be robust and based on available peer-reviewed data.

Based on a recent experience with a comprehensive study on plastic packaging for the state of Washington (Chapter 70A.520 RCW, E2SSB 5397 Laws of 2020), Ecology estimates 0.20 FTE EP-4 in FY 2028 to develop a contract proposal, review applications, manage the contract, review the contract's findings, and provide recommendation on the state's recycling industry and ability to meet the minimum PCR content requirements and/or certification requirements specified in this act. Ecology estimates this contract would cost \$250,000 in FY 2028.

Rulemaking – Parts 1 and 2 (Sections 102, 104, 107, 110, 120, 121, 203, 209, 210, 211, 212, and 214)

Rulemaking would be required for the EPR program in this bill, and the PCRC products in Part Two managed by the PRO created in Part One. Ecology assumes rulemaking would be highly technical with high public interest and require extensive public engagement. Ecology would establish a rule advisory committee to assist with rule development and consult with the advisory committee throughout the rulemaking process. Based on the Chapter 70A.245 RCW rule, we assume 4-6 meetings with the rule advisory committee. Ecology assumes three public meetings when developing draft rule language and three public hearings for the proposed rule language. Ecology would conduct targeted outreach and consult with overburdened communities and vulnerable populations across the state throughout the rulemaking process. Based on the requirements in this bill and prior experience with extended producer responsibility programs and rulemaking, Ecology assumes this initial rulemaking would take 2.25 years to complete, beginning October 2023 (FY 2024) and completed by January 2026 (FY 2026). The information provided in the performance rate study and needs assessment (required in Section 105) would be incorporated into the rulemaking effort in FY 2026.

Initial rule development for this program would include: clarifying definitions; establishing an equitable formula for determining each PRO's share of the annual payment to cover Ecology's costs; establishing plan content requirements necessary to fulfill the intent of the bill; establishing rules for measuring performance rates for each material category; establishing elements to be included as annual reporting requirements necessary to determine the program's compliance; establishing third-party audit and verification requirements; establishing processes for plan approvals; and many other requirements.

This rulemaking would also include PCRC covered products overseen by the PRO (Part Two of the bill) in the rule scope. PCRC rulemaking would be required to provide clarification regarding requirements for third party certification of PCRC; process for reducing PCRC requirements; PCRC reporting requirements; and enforcement process.

The following would be required:

A rule coordinator to oversee the rulemaking process to comply with the Administrative Procedures Act; oversee the rule development and communication plan; review and file the CR-101; coordinate and conduct public meetings; file the CR-102 and hold public hearings with webinar access; work with an economist on economic impact analysis; work with technical staff to finalize rule language; and file the CR-103 for adoption. This would require 0.11 FTE Regulatory Analyst 3 (RA-3) in FY 2024, 0.16 FTE RA-3 FY 2025, and 0.11 FTE RA-3 in FY 2026 to complete a 2.25-year complex rule.

A rulemaking lead would oversee rule timeline management, lead rule development, manage stakeholder engagement, consult with the advisory council, incorporate results from the needs assessment, and conduct other tasks as necessary. This would require as follows: 1.0 FTE EP-4 in FY 2024; 1.5 FTE EP-4 FY 2025; and 1.0 FTE EP-4 in FY 2026.

Subject matter experts would advise on criteria for: establishing plan content requirements, annual reporting requirements and processes for plan approvals; establishing protocols for PCRC rate adjustments, exclusions, or reductions; developing criteria for measuring material performance rates; developing protocols for third party verification; and providing expert advice on extended producer responsibility programs in Washington State, the US, and internationally. This would require 0.75 FTE EP-5 in FY 2024, 1.0 FTE EP-5 FY 2025, and 0.75 FTE EP-5 in FY 2026.

Technical support staff would collect data, support analysis of potential policy outcomes, provide support to the EP-4 rulemaking lead and EP-5, and subject matter experts, coordinate with communications staff to provide technical support for public outreach. This includes any needs for regional support. This would require a 0.5 FTE ES-4 in FY 2024, 1 FTE ES-4 in FY 2025, and 0.5 FTE ES-4 in FY 2026

Based on previous rulemaking experience and the magnitude of interested parties and affected stakeholders, the requirement to consult with the advisory council, communications and outreach support is included to ensure robust public engagement in the rulemaking process. The following positions would support public engagement:

A communications lead would coordinate an outreach strategy and media engagement. This would require a Communications Consultant 5 (CC-5) 0.1 FTE in FY 2024, 0.15 FTE in FY 2025, and 0.1 FTE in FY 2026.

Due to the impact of the EPR program to all state residents, Ecology would conduct targeted outreach and consult with overburdened communities and vulnerable populations across the state throughout the rulemaking process. This would require an Environmental Planner 3 (EP-3) 0.2 FTE in FY 2024, 0.25 FTE in FY 2025, and 0.2 FTE in FY 2026.

An outreach coordinator would organize rule advisory committee meetings, public meetings, prepare informational materials, and respond to stakeholder questions throughout the rulemaking process. This would require a Community Outreach & Environmental Education Specialist 3 (COEES-3) 0.4 FTE in FY 2024, 0.5 FTE in FY 2025, and 0.4 FTE in FY 2026.

The following positions would complete an economic and regulatory analysis of the rule and subsequent updates as required

by law: Economic Analyst 3 (EA-3) 0.25 FTE in FY 2026; and Regulatory Analyst 2 (RA-2) 0.1 FTE in FY 2026.

Three public meetings would be held in FY 2025 and three public hearings would be held in FY 2026. Cost estimates include facility rental costs, estimated at \$1,000 per meeting for a total of \$3,000 each year in FY 2025 and FY 2026 in Object E. Based on the complexity of the rule and prior experience with other complex rulemakings, Ecology assumes a contract with a professional facilitator would be required for these public meetings to ensure that all stakeholders have an equal voice. Ecology estimates the facilitator cost would be \$2,100 per meeting or hearing. Cost estimates include professional services contract costs for facilitation, estimated at \$6,300 in FY 2025 and \$6,300 in FY 2026 in Object C.

In addition to the initial rule for the program, section 104(8) would authorize Ecology to initiate a second rulemaking beginning on January 1, 2029 (FY 2029), and no more frequently than every five years. This second rulemaking would specify requirements for producers to collect and manage covered products from additional locations or entities determined to be significant sources of covered product waste and, if necessary, update the rule language adopted in FY 2026.

Ecology assumes this rulemaking would be very complex with high public interest (level 3 rule) and require 27 months to complete. Ecology assumes we would submit a budget request for this future rulemaking, which is not estimated as it is beyond the 6-year cost estimate of this fiscal note.

PART THREE – DEPOSIT RETURN SYSTEM

Administration/Oversight (Section 304, 305, 307, 309, 310, 311, 313, 315)

Based on the beverage container deposit return system (DRS) operating in Oregon, Ecology assumes 500 beverage distributors would be required to join the distributor responsibility organization (DRO). For purposes of this fiscal note, Ecology assumes one DRO would be established and registered with Ecology by July 2024 and all beverage distributors would join this DRO. Ecology assumes 20 percent of these distributors would require technical assistance to ensure compliance. Technical assistance would include providing regulatory interpretations for distributors, beverage producers, and the DRO regarding the requirements of this bill, notifying distributors who have not registered with the DRO of their noncompliance status, and conducting enforcement actions when necessary to ensure distributor and DRO compliance. Ecology assumes technical assistance would be ongoing, heavier in first three years and would reduce in the following years.

DRS Department Duties (Section 305)

Ecology would be required to implement, administer, and enforce this chapter.

The DRO would register with Ecology by July 2024. Distributors would be required to join the DRO to sell or distribute qualifying beverage containers in the state by October 2024. The DRO would be required to identify and provide information on their member distributors to Ecology.

Beginning July 2023, Ecology would provide outreach and technical assistance to the EPR PRO established in Part One of this bill, distributors, solid waste service providers, processors, and local governments regarding the requirements of Part Three of this bill.

Ecology would be authorized to adopt rules to implement, administer, and enforce this chapter (section 305(1)). Ecology assumes rulemaking would require 18 months, starting in October 2023, and complete in April 2025.

Ecology would prepare a workload analysis to determine the annual fee payment for the next fiscal year by April 1, 2025, and annually thereafter. In June 2025, the DRO would be required to pay Ecology's annual costs to implement and administer the chapter for the coming fiscal year. Ecology would work with the DRO to establish a Consumer Convenience

Advisory Council in January 2025; and approve the DRO-hired consultant to conduct a consumer convenience assessment in 2031 and 2036 (four and nine years after program implementation).

Ecology assumes the DRO would submit the DRS plan to Ecology by July 2026, six months after rule adoption, and establish the collection infrastructure and implement the plan by July 2027. The first annual report would be due to Ecology by July 2028. The DRO would be required to submit plan updates to Ecology by July 2031 and July 2036.

Ecology estimates 0.75 FTE EP-4 would be required in FY 2024 and 1.25 FTE in FY 2025 and ongoing. Program duties include providing technical assistance to distributors and DRO regarding the requirements of this bill, including notifying distributors not registered with a DRO of their noncompliance status and conducting enforcement actions when necessary to ensure distributor compliance; and providing technical assistance to local jurisdictions regarding the DRO and impacts on local planning and recycling services, and answering questions from residents, businesses, and local agency staff and elected officials regarding the program; reviewing and approving the DRO plan, and plan updates they provide, and annual reports; work with the DRO to establish and meet with the Consumer Convenience Advisory Council and work with the DRO to approve the consultant to conduct a consumer convenience assessment in 2031 and 2036. The DRO plans submitted to Ecology in 2031 and 2036 would address consumer convenience recommendations in the consultant report.

Ecology estimates 0.50 FTE Environmental Specialist 3 (ES-3) would be required in FY 2024 and ongoing to: provide assistance to residents and local governments; register DRO; collect and manage submitted information; inform DRO of their fee payments by April 1, 2025, and annually thereafter; invoice DRO and collect DRO payments due June 2025, and annually thereafter; consider requests from DRO or distributors to hold data confidential; review of annual reports starting in July 2028, review data to ensure the program meets the recycling and reuse rates; provide enforcement support to the EP-4; and annually update information posted on the agency's website.

Ecology estimates 0.10 FTE Budget Analyst 4 (BA-4) would be required in FY 2024 and 0.05 FTE in FY 2025 and ongoing to develop and update the annual workload model and make necessary adjustments to the annual fee payment consistent with section 307(2)(b).

Ecology estimates 0.10 FTE Communications Consultant 3 (CC-3) would be required in FY 2024 to create a public website and 0.05 FTE in FY 2025 ongoing to update the website. The website would provide information about DRO, member distributors, and qualifying beverage containers.

Section 311 1(a) would require Ecology, in consultation with the DRO and the Consumer Convenience Advisory Council, to approve the DRO-hired consultant to conduct an assessment of consumer convenience and make recommendations to increase consumer convenience and enhance performance, in the fourth and ninth year of DRS program implementation.

Section 311 (1) (b) would require the DRO to contract and pay for a third-party consultant to conduct the assessment and provide recommendations to Ecology, the DRO and consumer convenience advisory council. Ecology assumes the DRO would manage this consultant contract and the cost would not be included in Ecology's estimated costs for implementation of the DRS program.

Section 312 – Small-Scale Refund Program

Ecology assumes small-scale refund programs would be established by beverage manufacturers distributing less than 10,000 beverages in reusable containers. Based on Oregon's program, Ecology assumes up to ten manufacturers would establish small-scale refund programs, examples would be small operations like a brewery, winery, or other niche operation. These manufacturers would be required to submit a plan and annual report to Ecology. Ecology assumes these manufacturers would be identified during the first year after bill passage, as beverage distributors would be required to join the DRO. Ecology would work directly with these small manufacturers providing technical assistance to get the required registration information submitted. Due to the size of these small-scale programs, Ecology assumes their plans and annual reports would be streamlined to ensure quick and efficient compliance. Small-scale refund program operations would be assumed to come into compliance by the time distributors would be required to join the DRO or would independently fulfill the duties required of a DRO, October 2024, and require minimal ongoing technical assistance.

Ecology estimates 0.10 FTE EP-4 would be required in FY 2024 and 0.05 FTE in FY 2025 and ongoing to provide technical assistance to the small beverage manufacturers operating an independent refund program. That work would include providing regulatory interpretations regarding the requirements of this bill, assisting with plan and reporting requirements.

AAG Support – DRS Program

Our Assistant Attorney General (AAG) has estimated that the following staff time in the Office of the Attorney General (ATG) would be needed to provide legal support for rulemaking, and advice and representation in support of Ecology's enforcement to ensure distributor participation (i.e., registration and annual fee payments starting June 2024, determining responsible parties starting January 2023, enforcement letters, penalties) in FY 2024 through FY 2027. In addition, ATG advice and representation would be needed in support of Ecology's enforcement of program implementation. Estimated workload and costs are 0.06 FTE AAG and 0.03 FTE Legal Assistant (LA) for a total of \$14,400 in FY 2024, 0.11 FTE AAG and 0.06 FTE Legal Assistant (LA) for a total of \$26,600 in FY 2025, and 0.09 FTE AAG and 0.04 FTE LA for a total of \$22,900 each year beginning in FY 2026 and ongoing. Costs are included in Object E.

Rulemaking – Part Three (Section 305)

Ecology assumes rulemaking would be required for the DRS program. It would be technical with high public interest and require extensive public engagement. Ecology assumes we would create a rule advisory committee to develop draft language and consult with the advisory council (created in Section 121) throughout the rulemaking process. Based on the Chapter 70A.245 RCW rule, we assume 4-6 meetings with the rule advisory committee. Ecology would conduct targeted outreach and consult with overburdened communities and vulnerable populations across the state throughout the rulemaking process. Ecology assumes two public meetings when developing draft rule language, and two public hearings for the proposed rule language. Based on the requirements in this bill and experience with extended producer responsibility programs and other related rulemakings, Ecology assumes this initial rulemaking would take 18 months to complete, beginning October 2023 (FY 2024) and completed by April 2025 (FY 2025). Rule development for this program would include: clarifying definitions; identifying beverage containers exempted from the DRS, establishing an equitable formula for determining each DRO's share of the annual payment to cover Ecology's costs; establishing plan content requirements necessary to fulfill the intent of the bill; establishing elements to be included as annual reporting requirements necessary to determine the program's compliance; establishing third-party audit and verification requirements; establishing processes for plan approvals; and any other requirements.

The following would be required:

A rule coordinator to oversee the rulemaking process to comply with the Administrative Procedures Act; oversee the rule development and communication plan; review and file the CR-101; coordinate and conduct public meetings; file the CR-102 and hold public hearings with webinar access; work with an economist on economic impact analysis; work with technical staff to finalize rule language; and file the CR-103 for adoption. This would require 0.09 FTE RA-3 in FY 2024 and 0.11 FTE RA-3 in FY 2025 to complete a 1.75-year moderately complex rule.

A rulemaking lead would oversee rule timeline management, lead rule development, manage stakeholder engagement, and conduct other tasks as necessary. This would require 0.25 FTE EP-4 in FY 2024 and 0.5 FTE EP-4 FY 2025.

Subject matter experts would advise on criteria for: establishing qualifying and exempt beverage containers, annual reporting requirements and processes for plan approvals; developing protocols for third party verification; and providing expert advice on deposit return programs in the US and internationally. This would require 0.25 FTE EP-5 in FY 2024 and 0.5 FTE EP-5 FY 2025.

Technical support staff would collect data, support analysis of potential policy outcomes, provide support to the EP-4 rulemaking lead and EP-5, and subject matter experts, and coordinate with communications staff to provide technical

support for public outreach. This includes any needs for regional support. This would require a 0.25 FTE ES-4 in FY 2024 and 0.5 FTE ES-4 in FY 2025.

Based on previous rulemaking experience and the magnitude of interested parties and affected stakeholders, communications and outreach support is included to ensure robust public engagement in the rulemaking process. The following positions would support public engagement:

A communications lead would coordinate an outreach strategy and media engagement. This would require a CC-5 0.08 FTE in FY 2024 and 0.1 FTE in FY 2025.

Due to the impact of the DRO program to all state residents, Ecology would conduct targeted outreach and consult with overburdened communities and vulnerable populations across the state throughout the rulemaking process. This would require an EP-3 0.2 FTE in FY 2024 and FY 2025.

An outreach coordinator would organize rule advisory committee meetings and public meetings, prepare informational materials, assist with rule discussion at advisory council meetings, and respond to stakeholder questions throughout the rulemaking process. This would require a COEES-3 0.38 FTE in FY 2024 and 0.5 FTE in FY 2025.

The following positions would complete an economic and regulatory analysis of the rule and subsequent updates as required by law: EA-3 0.25 FTE in FY 2025; and RA-2 0.1 FTE in FY 2025.

Two public meetings would be held in FY 2024 and two public hearings would be held in FY 2025. Cost estimates include facility rental costs, estimated at \$1,000 per meeting for a total of \$2,000 each year in FY 2024 and FY 2025 in Object E. Based on the complexity of the rule and prior experience with other complex rulemakings, Ecology assumes a contract with a professional facilitator would be required for these public meetings to ensure that all stakeholders have an equal voice. Ecology estimates the facilitator cost would be \$2,100 per meeting or hearing. Cost estimates include professional services contract costs for facilitation, estimated at \$4,200 in FY 2024 and \$4,200 in FY 2025 in Object C.

Ecology assumes this rulemaking would be moderately complex with some public interest (level 2 rule) and require 18 months to complete.

PART FIVE – MISCELLANEOUS PROVISIONS

Feasibility Study (Section 504)

The bill would require Ecology to contract for a feasibility study to identify options to improve the convenience experienced by consumers with unwanted products or packaging covered by state product stewardship, extended producer responsibility, and similar takeback programs, by harmonizing or establishing a system of common or centralized takeback centers or depots for consumers. This study would be required to consult with consumers delivering takeback products, producer funded program operators, other interested parties (like local governments, collection site operators), and analyze more convenient standards and provide recommendations. The study would be completed by December 1, 2025, and deliver policy recommendations to the legislature.

Ecology assumes a consultant would be hired by July 2024 (FY 2025) to conduct the feasibility study. The feasibility study would be completed by August 2025 and delivered to the legislature by December 2025.

This work would require 0.25 FTE EP-4 each year in FY 2025 and FY 2026. Ecology would hire and oversee the consultant conducting the feasibility study, consult with the Department of Health concerning the collection infrastructure of the medicine return program under Chapter 69.48 RCW, offer opportunities for public comment on the study. Ecology assumes this position would serve as the agency coordinator on the recommendations report to the legislature.

In addition to the lead coordinator, preparation of the report for submittal to the legislature would require staffing time for policy review, coordination with the project lead and Ecology's government relations on the recommendations, communications review for content clarity and key messages, and accessibility and plain talk review. Ecology estimates, 0.10 FTE EP-5, 0.05 FTE CC-5, 0.05 FTE CC-2, and 0.05 FTE RA-3 in FY 2026.

Ecology assumes the scope of the feasibility study would be more complicated than the 2022 consumer packaging study conducted under Senate Bill 5693 Section 58 due to the complexity of Washington's multiple product takeback programs and laws. Ecology estimates \$200,000 would be required for the feasibility study in FY 2025 and \$125,000 in FY 2026, shown in Object C.

Litter Tax Study (Section 505)

The bill would require Ecology to contract for a study of the impacts of the EPR and DRS program on litter rates in the state. The study would identify improvements to the structure of the litter tax (under chapter 82.19 RCW) including administration, compliance, and distribution of the tax and application of the tax to certain products.

Ecology, in consultation with the Department of Revenue, would provide recommendations on the applicability of the litter tax on EPR covered products and DRS qualifying beverage containers and improvements to the structure of the litter tax. The recommendations would be delivered to the appropriate committees of the legislature by January 2029.

Ecology assumes a consultant would be hired by July 2027 (FY 2028) to conduct the study. The study would be completed by August 2028 (FY 2029). Ecology and Revenue would provide recommendations to the legislature by January 2029.

This work would require 0.25 FTE EP-4 in FY 2028 and FY 2029. Ecology would hire and oversee the consultant conducting the litter tax study and work with the DRO, PRO, and advisory council on the draft study review and comment. This position would consult with the Department of Revenue regarding the litter tax recommendations to be submitted to the legislature. Ecology assumes this position would serve as the agency coordinator on the recommendations report to the legislature.

This work would require 0.25 FTE EP-5 in FY 2029 to provide policy review of the consultant's study report, advise the project lead, and coordinate with Ecology's government relations on the recommendations. This position would provide policy review of the contracted study and provide assistance in consultation with the Department of Revenue. Ecology assumes this position would advise the lead coordinator on legislative report requirements.

In addition to the efforts identified above, preparation of the report for submittal to the legislature would require staffing time for communications review for content clarity and key messages, and accessibility and plain talk review. Ecology estimates, 0.05 FTE CC-5, 0.05 FTE CC-2, and 0.05 FTE RA-3 in FY 2029.

The cost of the study would be more complicated than the 2022 consumer packaging study conducted under Senate Bill 5693 Section 58 due to the complexity and scope of the study. Ecology estimates \$200,000 would be required for the litter tax study in FY 2028 and \$100,000 in FY 2029, shown in Object C.

Home Composting Standard (Section 506)

The bill would require Ecology to evaluate best practices in other jurisdictions and any applicable federal standards for the labeling of items as "home compostable." By December 1, 2024, Ecology would submit recommendations to the legislature for a proposed testing and labeling standard for single-use items eligible to be labeled as "home compostable."

There is no current testing standard nor labeling standard for home compostable items. Current efforts in developing U.S. standards are underway by the Biodegradable Products Institute and the U.S. Composting Council. Austria provides an OK

compost HOME certification. There is an Australian home compostable test standard (AS 5810).

As Ecology does not have the expertise to conduct this analysis with current staff, the research would be conducted through a third-party consultant. Ecology estimates 0.25 FTE EP-4 each year in FY 2024 and FY 2025 would be required to hire and oversee a consultant conducting an evaluation of home compostable items best practices, testing, and labeling.

In addition to the lead coordinator, preparation of the report for submittal to the legislature would require staffing time for policy review, coordination with the project lead and Ecology's government relations on the recommendations, communications review for content clarity and key messages, and accessibility and plain talk review. Ecology estimates, 0.10 FTE EP-5, 0.05 FTE CC-5, 0.05 FTE CC-2, and 0.05 FTE RA-3 in FY 2025.

Ecology assumes the scope of the home composability study would be comparable to the 2022 consumer packaging study. Based on this assumption, Ecology estimates the consultant contract would cost \$150,000 (\$75,000 in FY 2024 and \$75,000 in FY 2025) shown in Object C.

SUMMARY: The expenditure impact to Ecology under this bill is as follows:

Parts One and Two: Post-Consumer Recycled Content Requirements and Extended Producer Responsibility for Paper and Product Packaging is estimated to require:

FY 2024: \$1,143,241 and 7.3 FTEs
FY 2025: \$1,688,038 and 9.3 FTEs
FY 2026: \$1,193,662 and 7.1 FTEs
FY 2027: \$638,341 and 4 FTEs
FY 2028: \$734,007 and 2.9 FTEs
FY 2029: \$592,218 and 2.9 FTEs

Part Two: Repeal of current Post-Consumer Recycled Content (PCRC) Law Provisions is estimated to require:
FY 2024 and ongoing: \$-482,000 and -4.4 FTEs

Part Three: Deposit Return Program is estimated to require:

FY 2024: \$470,930 and 3.5 FTEs
FY 2025: \$738,488 and 5.4 FTEs
FY 2026 and ongoing: \$309,614 and 2.2 FTEs

Part Five: Feasibility & Litter Tax Studies, and Home Composting Standard is estimated to require:

FY 2024: \$116,042 and 0.3 FTEs
FY 2025: \$397,412 and 0.9 FTEs
FY 2026: \$206,370 and 0.6 FTEs
FY 2028: \$241,042 and 0.3 FTEs
FY 2029: \$208,439 and 0.8 FTEs

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:

FY 2024: \$1,248,213 and 6.7 FTEs
FY 2025: \$2,341,938 and 11.2 FTEs
FY 2026: \$1,227,646 and 5.5 FTEs
FY 2027: \$465,955 and 1.8 FTEs
FY 2028: \$802,663 and 1 FTEs
FY 2029: \$628,271 and 1.5 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36% of salaries.

Professional Services includes costs for contracts to support studies and assessments in sections 105, 219, 504, 505, and 506, estimated to be \$200,000 in FY 2024, 562,500 in FY 2025, \$212,500 in FY 2026, \$450,000 in FY 2028, and \$200,000 in FY 2029; Object C also includes cost estimates for facilitation for rulemaking and the Advisory Council, estimated to be \$34,200 in FY 2024, \$70,500 in FY 2025, \$66,300 in FY 2026, \$45,000 in FY 2027, and \$30,000 in FY 2028 and ongoing thereafter.

Goods and Services are the agency average of \$5,224 per direct program FTE and includes estimated AGO costs of \$24,000 in FY 2028, \$71,000 in FY 2025, and \$61,000 in FY 2026 and ongoing each fiscal year thereafter. Object E also includes rulemaking facilities costs of \$2,000 in FY 2024, \$5,000 in FY 2025, and \$3,000 in FY 2026; also included is \$30,000 in FY 2025 and ongoing each subsequent year for market data, and a reduction of \$29,295 in FY 2024 and ongoing for non-staff related costs for the repeal of PCRC requirements under current law.

Travel is the agency average of \$1,563 per direct program FTE and includes travel reimbursement estimates for Advisory Council members, estimated to be \$3,500 in FY 2024, \$7,000 each year in FY 2025 and 2026, \$5,250 in FY 2027, and \$3,500 in FY 2028 and ongoing each year thereafter.

Equipment is the agency average of \$1,031 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 28.75% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	116,042	156,370	272,412	0	0
23P-1	Model Toxics Control Operating Account	State	1,614,171	2,667,568	4,281,739	288,454	348,501
25R-6	Recycled Content Account	Non-Appropriated	(482,000)	(482,000)	(964,000)	(964,000)	(964,000)
NEW-6	Deposit Return Organization Program Account	Non-Appropriated	0	0	0	602,812	602,812
NEW-6	Responsible Packaging Management Account	Non-Appropriated	0	0	0	1,766,335	1,443,621
Total \$			1,248,213	2,341,938	3,590,151	1,693,601	1,430,934

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.7	11.2	8.9	3.6	1.2
A-Salaries and Wages	553,137	884,861	1,437,998	674,890	327,828
B-Employee Benefits	199,128	318,550	517,678	242,958	118,016
C-Professional Service Contracts	234,200	633,000	867,200	323,800	710,000
E-Goods and Other Services	26,951	127,376	154,327	159,422	134,429
G-Travel	12,550	22,162	34,712	22,127	10,297
J-Capital Outlays	5,969	10,007	15,976	6,524	2,186
9-Agency Administrative Overhead	216,278	345,982	562,260	263,880	128,178
Total \$	1,248,213	2,341,938	3,590,151	1,693,601	1,430,934

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
BUDGET ANALYST 4	85,020	0.1	0.2	0.1	0.1	0.1
COM OUTREACH & ENV ED SP 3	63,216	0.8	1.0	0.9	0.3	
COMM CONSULTANT 2	60,156		0.1	0.0	0.0	0.0
COMM CONSULTANT 3	66,420	0.2	0.1	0.2	0.1	0.1
COMM CONSULTANT 5	87,144	0.2	0.3	0.2	0.1	0.0
ECONOMIC ANALYST 3	85,020		0.3	0.1	0.1	
ENVIRONMENTAL PLANNER 3	80,952	0.4	0.5	0.4	0.1	
ENVIRONMENTAL PLANNER 4	89,292	4.8	6.2	5.5	3.9	3.4
ENVIRONMENTAL PLANNER 5	98,592	1.0	1.6	1.3	0.5	0.1
ENVIRONMENTAL SPEC 3	63,216	(2.6)	(2.6)	(2.6)	(2.8)	(2.8)
ENVIRONMENTAL SPEC 4	73,260	0.8	1.8	1.3	0.7	0.1
FISCAL ANALYST 2_Indirect		0.6	1.0	0.8	0.3	0.1
IT APP DEV-JOURNEY_Indirect		0.3	0.5	0.4	0.2	0.1
REGULATORY ANALYST 2	82,896		0.1	0.1	0.1	
REGULATORY ANALYST 3	93,840	0.2	0.3	0.3	0.1	0.0
Total FTEs		6.7	11.2	8.9	3.7	1.2

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 104 (6) would require Ecology to adopt rules as necessary to implement, administer, and enforce this chapter.

Section 212 would authorize Ecology to adopt rules as necessary to implement, administer, and enforce this chapter.

Ecology assumes one rule combining parts one and two would be required. This rulemaking would take 2.25 years to complete, beginning October 1, 2023, and adopted by December 31, 2025.

Section 305 (1) would authorize Ecology to adopt rules to implement, administer, and enforce this chapter.

Ecology assumes rulemaking would be required to implement part three of this bill. This rulemaking would take 1.5 years to complete, beginning October 1, 2023, and adopted by April 1, 2025.

2SHB 1131 Solid Waste Management - Department of Ecology Fiscal Note Expenditure Overview

By Section

OPERATING BUDGET	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Parts One and Two: Post-Consumer Recycled Content Requirements and Extended Producer Responsibility for Paper and Product Packaging	1,143,241	1,688,038	1,193,662	638,341	734,007	592,218
Total FTEs	7.3	9.3	7.1	4.0	2.9	2.9
Staff costs	975,141	1,249,838	961,762	519,991	382,407	390,618
AAG Support	9,600	44,400	38,100	38,100	38,100	38,100
Advisory Council Member travel reimbursements	3,500	7,000	7,000	5,250	3,500	3,500
Contracts for Market Study, Needs Assessment, Performance Rate Study	125,000	287,500	87,500	0	250,000	100,000
Advisory Council Meetings Facilitator	30,000	60,000	60,000	45,000	30,000	30,000
Market data on availability of plastic resins	0	30,000	30,000	30,000	30,000	30,000
Rulemaking Meetings Facilitator	0	6,300	6,300	0	0	0
Rulemaking Facilities	0	3,000	3,000	0	0	0
Part Two: Repeal of current Post-Consumer Recycled Content (PCRC) Law Provisions	(482,000)	(482,000)	(482,000)	(482,000)	(482,000)	(482,000)
Total FTEs	(4.4)	(4.4)	(4.4)	(4.4)	(4.4)	(4.4)
Staff costs	(452,705)	(452,705)	(452,705)	(452,705)	(452,705)	(452,705)
Other Goods & Services	(29,295)	(29,295)	(29,295)	(29,295)	(29,295)	(29,295)
Part Three: Deposit Return Program	470,930	738,488	309,614	309,614	309,614	309,614
Total FTEs	3.5	5.4	2.2	2.2	2.2	2.2
Staff costs	450,330	705,688	286,714	286,714	286,714	286,714
AAG Support	14,400	26,600	22,900	22,900	22,900	22,900
Contract for Consumer Convenience Assessment	0	0	0	0	0	0
Rulemaking Facilitator for Meetings	4,200	4,200	0	0	0	0
Rulemaking Facilities	2,000	2,000	0	0	0	0
Part Five: Feasibility & Litter Tax Studies, and Home Composting Standard	116,042	397,412	206,370	0	241,042	208,439
Total FTEs	0.3	0.9	0.6	0.0	0.3	0.7
Staff costs	41,042	122,412	81,370	0	41,042	108,439
Contracts for Feasibility Study, Litter Tax Study, and Home Composting Standard	75,000	275,000	125,000	0	200,000	100,000
ECOLOGY TOTAL OPERATING FTEs	6.7	11.2	5.5	1.8	1.0	1.5
ECOLOGY TOTAL OPERATING EXPENDITURES	1,248,213	2,341,938	1,227,646	465,955	802,663	628,271

Individual State Agency Fiscal Note

Bill Number: 1131 2S HB	Title: Solid waste management	Agency: 468-Environmental and Land Use Hearings Office
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.6	0.3	1.3	1.3
Account					
General Fund-State 001-1	0	80,395	80,395	294,432	294,432
Total \$	0	80,395	80,395	294,432	294,432

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/25/2023
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 03/02/2023
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 03/02/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/02/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

NO CHANGE TO IMPACTS from previous version.

2SHB 1131 aims to improve Washington's solid waste management outcomes in 3 main ways:

1. Making producers, retailers, importers, etc. of packaging, and publishers/manufacturers of paper products retailers more responsible in managing such products. Producers must join a producer responsibility organization if they wish to sell products. Producers are prohibited from selling products that make a deceptive or misleading claim about recyclability (section 124). Violations are subject to penalty of up to \$1,000 per day per violation (section 123).
2. Making producers of certain household and durable goods and containers meet minimum post-consumer recycled content (PCRC) in their goods and containers (sections 203-209), and track/report PCRC (section 211). Compliance with requirements to occur from January 1, 2023 to January 1, 2036, depending on which requirement. Producers who don't comply are subject to penalty (sections 124, 211). Department of Ecology will administer and enforce PCRC requirements (section 212).
3. Establishing a beverage container deposit return system, including a system that pays consumers a refund when they return a specific beverage container (sections 304-319). Distributors of beverage containers must join a distributor responsibility organization or fulfill the requirements of such organization (section 305). Ecology will administer and enforce this system (section 307). Ecology may issue penalties for violations of this chapter or PCRC provisions, or issue corrective action orders (section 315).

2SHB 1131 amends solid waste management laws to add producer of waste packaging/plastic as sharing in the responsibility of solid waste handling, recovery, and recycling. In other words, adding new programs discussed above to pertinent sections of the solid waste management statute.

2SHB 1131 amends Pollution Control Hearings Board (PCHB) statutes to add that the PCHB can decide appeals of civil penalties and orders imposed under 2SHB 1131 (section 501), and that civil penalties imposed under 2SHB 1131 must be imposed in writing and describe violation with reasonable particularity (section 502).

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

NO CHANGE TO IMPACTS from previous version.

FISCAL IMPACT to the Pollution Control Hearings Board: YES

ELUHO estimates 7 average complexity appeals per year resulting from this bill.

ELUHO assumes ELUHO’s work on appeals resulting from the bill begins in January 2025 (FY25) following the planning and outreach conducted by the Department of Ecology.

ELUHO estimates each appeal resulting from this bill will require approximately 230 hours of Administrative Appeals Judge (AAJ) work to complete (110 pre-hearing hours + 120 hearing and post-hearing hours) x 7 appeals. This estimate is based on a current analysis of AAJ work.

230 hours/appeal x 7 appeals = 1,610 AAJ hours per FY, ongoing.

Assume New AAJ FTE: The PCHB will need approximately 0.75 FTE for an AAJ with knowledge of environmental law to assist with these new cases, based on the estimated number of AAJ hours per year. RCW 43.21B.005(2) authorizes the ELUHO director to appoint such AAJs to assist the PCHB. The AAJ 0.75 FTE will not serve as a member of the Boards, but will conduct legal research and writing, mediate cases, draft Board memos and materials, and perform other legal duties to assist the Board.

An AAJ makes \$100,000 per year, plus related benefits estimated at \$32,021 per year, at current benefits rates. The agency needs a 0.75 FTE AAJ, so the salary would be \$100,000 x 0.75 FTE = \$75,000, per FY, ongoing. Related benefits would total \$24,015 per FY, ongoing.

Assume additional Legal Assistant (LA3) FTE: Legal Assistants provide support for all three Boards, including managing all Board cases and court filings, providing support for Board members, AAJs, Board meetings, and providing administrative support for ELUHO office functions. We assume 0.5 LA3 FTE for every 1.0 AAJ FTE. The bill will require approximately 0.5 FTE LA3 to manage the additional cases and support the AAJ FTE.

An LA3 makes \$55,872 (assumed Step L) per year, with related benefits estimated at \$24,059 per year at current benefits rates. The agency needs a 0.5 LA3 FTE, so the salary would be \$55,872 x 0.5 FTE = \$27,936 per FY, ongoing. Related benefits would total \$12,030 per FY, ongoing.

Goods and services for the total 1.25 FTE are estimated at \$6,488 per year, ongoing, and include communications, payroll processing, training, and other staff costs. Estimates include some travel at the low cost per diem rates totaling \$1,747 per year, ongoing. Also included is one time equipment costs for furniture and computers totaling \$5,557 in FY 25.

Assume no capital budget impact: Currently, ELUHO leases space on the top floor of the State Parks building, Parsons Plaza. We assume we can repurpose space to include the FTEs if they have workstations at the ELUHO office. We assume the 0.75 AAJ FTE would be offered the option of working remotely and the 0.5 LA3 FTE would be in the office but would not require an office with a door.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	80,395	80,395	294,432	294,432
Total \$			0	80,395	80,395	294,432	294,432

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.6	0.3	1.3	1.3
A-Salaries and Wages		51,968	51,968	205,872	205,872
B-Employee Benefits		18,182	18,182	72,090	72,090
C-Professional Service Contracts					
E-Goods and Other Services		3,808	3,808	12,976	12,976
G-Travel		880	880	3,494	3,494
J-Capital Outlays		5,557	5,557		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	80,395	80,395	294,432	294,432

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Appeals Judge	100,000		0.4	0.2	0.8	0.8
Legal Assistant 3	55,872		0.3	0.1	0.5	0.5
Total FTEs			0.6	0.3	1.3	1.3

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

None

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1131 2S HB

Title: Solid waste management

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: Revenue increase from reimbursement on eligible activities, revenue decrease from sale of residential recyclables, operational and administrative cost impacts. Two representatives from urban and rural cities would be appointed as members to an advisory council.
- Counties: Revenue increase from reimbursement on eligible activities, revenue decrease from sale of residential recyclables, operational and administrative cost impacts, and revenue lost from landfill tip fees. Two representatives from urban and rural counties would be appointed as members to an advisory council.
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to: Wide variety of service levels, service agreements, commodity values, and regional access to recycling markets

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: Local governments may participate in the producer responsibility program established by the bill to seek reimbursement. Local governments would be eligible for a grant program designed to off-set revenue losses created by the deposit return system.
- Key variables cannot be estimated with certainty at this time: How many cities or counties would participate, reimbursement amounts, change in landfill usage, changes in service levels or service agreements, which jurisdictions would participate on the advisory council.

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 03/06/2023
Leg. Committee Contact: Dan Jones	Phone: 360-786-7118	Date: 02/25/2023
Agency Approval: Tammi Alexander	Phone: 360-725-5038	Date: 03/06/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/06/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This fiscal note reflects language in 2S HB 1131, 2023 Legislative Session.

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

Sec. 104 Clarifies that any rules adopted by the Department of Ecology (Ecology) that require covered product collection services from public places or official gathering apply only at locations where a local government provides solid waste services, and may not include retail establishments.

Sec. 218 Directs penalty collections to the Recycling Enhancement Account used for grants to local governments for solid waste activities, rather than to the Responsible Packaging Management Account.

Sec. 316 Authorizes the Department of Commerce to implement the Recycling Revenue Augmentation Fund (RRAF) to provide funds to offset metal scrap revenue losses from the deposit return system to local governments' drop-off recycling programs.

SUMMARY OF CURRENT BILL:

This act would establish a program for the management of consumer packaging and paper products to be funded and implemented by producers or distributors of those products, including reuse and recycling rate targets, convenient collection service standards, responsible management, infrastructure investments, and education and outreach. The second substitute bill makes numerous changes to the requirements of the Producer Responsibility Organization (PRO) or Distributor Responsibility Organization, Ecology's role, and the covered products. Local governments with recycling programs may participate in program activities.

Through rules developed by Ecology, a covered product collection service may not be sited at a retail location and can only apply to places where a local government provides solid waste services. Local governments that participate in the program may be able to recover lost revenue by applying for RRAF grant funding through the Department of Commerce to offset losses related to scrap metal diversion to the deposit return system. This bill also specifies that local government representation on the advisory council must include two representatives of counties and two of cities, of which, one each must be representatives of rural communities and one of urban communities. Activities covered by the advisory committee include review of PRO plan in FY27, a performance rate study in FY24 and needs assessment in FY25 and FY26, and ongoing implementation starting in FY27 and ongoing.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

Program rules developed by the Department of Ecology in Sec. 104 would have a requirement for covered product collection services from public places or official gathering that apply only at locations where a local government provides solid waste services. There would not be an expense impact for local governments due to the provisions of Sec. 115 specifying that a producer responsibility organization (PRO) must reimburse a government entity for services included in the PRO's plan.

Local governments would be eligible to apply for grant funding through the Department of Commerce (Commerce) to offset lost revenue through scrap metal diversion that is related to the deposit return system. Cities, counties, and towns applying for grants from Commerce would do so as a local option. There would be no costs for local governments that took no action.

EXPENDITURE IMPACTS OF CURRENT BILL:

This second substitute bill has a local option for cities and counties to participate in the recycling program. For those cities and counties that do not participate, there is no expenditure impact. For the local governments that chose to participate in the program, they may incur administrative costs associated with amending contracts to reflect the new reimbursements and have decreased costs associated with no longer implementing services. These costs cannot be estimated because it is unknown which cities or counties will participate and at what level.

The bill also specifies that local government representation on the advisory council must include two representatives of counties and two of cities, of which one each must be representatives of rural communities and one of urban communities. It is unknown which local governments would be chosen to participate on the advisory council or the level of participation required. There would be staff time and travel related costs for those participating.

Cities, towns, and counties would have the option to apply to the Department of Commerce for grants from the Recycling Revenue Augmentation Fund (RRAF) in Sec. 316. The number of local governments that would apply for financial assistance is unknown and would depend on the number of local governments that voluntarily enter the program. There may be de minimus to more substantive costs associated with applying for these grants depending on whether the RRAF grant program uses a formulaic, pass-through, or competitive grant structure, as cities and counties have indicated that more effort is involved with a competitive grant application process. There would be no costs associated with the application process for local governments that took no action.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

CHANGES IN REVENUE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

Local governments would be eligible to apply for grant funding through the Department of Commerce to offset lost revenue through scrap metal diversion related to the deposit return system. Cities, counties, and towns applying for grants from the department would do so as a local option.

REVENUE IMPACTS OF CURRENT BILL:

This second substitute bill has a local option for cities and counties to participate in the recycling program in creates. Cities and counties that participate in the program can be reimbursed for eligible costs by the producer responsibility organization. These amounts cannot be estimated because it is unknown which cities or counties will participate, to what extent, or what activities would be eligible for reimbursement, therefore the revenue increase from reimbursement is indeterminate.

Local governments that do participate in the program would be eligible to apply for grant funding from the Department of Commerce to offset the revenue losses of scrap metal diversion in the deposit return system. Participating cities, towns, and counties, would apply as a local option. Sec. 307(11) specifies that \$15 million would be remitted by each distributor responsibility organization (DROs) that collects qualifying beverage containers in the deposit return system. Funds from the Recycling Revenue Augmentation Fund would be used to off-set the revenue losses of participating local governments who have scrap metal diverted through the deposit return system. The number of DROs and the number of participating local governments cannot be known in advance, and the revenue impact of the grant program is indeterminate.

According to Washington State Association of Counties, impacts to county costs revenues will differ widely due to the wide variety of service levels, service agreements, commodity values, and regional access to recycling markets. Some counties will see decreases in revenue from the sale of residential recyclables or revenue sharing agreements they have with their curbside recycling provider through the Utilities and Transportation Commission (UTC). Other counties will see little to no impact to their costs or revenues. Also, the tons of product packaging and printed paper (including glass) currently being sent to the landfill is likely to decrease as residential recycling participation increases. This would create a decrease in the revenue counties receive through landfill tip fees to manage contracts, operations, and outreach and education for materials not covered by this bill.

Below are some examples to help illustrate the diversity of impacts to selected counties:

- Spokane County is expected to receive \$412,000 annually through a UTC revenue sharing agreement with Waste Management. This revenue funds their outreach and education programs for all programs they offer. The funding provides recycling and waste diversion outreach and education programs for areas in the County serviced by Waste Management. Under the Extended Producer Responsibility (EPR) program, there would no longer be a revenue sharing model. Spokane County would be reimbursed by the EPR organization for outreach and education related to materials covered by the EPR program, but any outreach and education for other materials (organics, hazardous waste, and other programs) previously funded by the revenue sharing would fall on Spokane County to fund through solid waste rate increases or other revenue sources.

- Lincoln County residents are able to drop recycling off at either drop-boxes located in dense areas or at a transfer station. Lincoln County solid waste staff then market the recyclable materials and any revenue from those sales come back to help offset the costs to operate their programs and help offset their required 25% Local Solid Waste Financial Assistance (LSWFA) match. In 2022, Lincoln County received roughly \$50,000 from the sale of materials that would be covered under the EPR program, which slightly exceeds the costs to provide the service. Additionally, Lincoln County sees revenue from residential recycling drop-box charges.

- Stevens County operates similarly to Lincoln County – residents drop off recycling at drop-boxes, the Stevens County Landfill, 4 remote transfer stations, and the County recycle center. In 2022, Stevens County spent roughly \$195,000 in operations and labor costs to support their recycling program. The revenue from the sale of recyclables in 2022 was roughly \$124,000. Under the EPR program, Stevens County would not receive revenue from the sale of recyclables and all labor and operations costs would be covered by the EPR organization. They would see an overall benefit of \$80,000 per year based on 2022 numbers, however abandoned assets and fixed infrastructure that would have been amortized over several years of rates would need to be sold off or put to other purposes.

- Pierce County does not have a revenue sharing agreement and would likely see reimbursement payments from the EPR organization to reimburse them for outreach and education related to EPR materials.

SOURCES:

Department of Revenue fiscal note, SHB 1131

House Bill Report, HB 1311, Environment and Energy Committee (2/2/2023)

House Bill Report, 2S HB 1311 (2023)

Local Government Fiscal Note SSB 5697 (2022)

Washington State Association of Counties



Multiple Agency Ten-Year Analysis Summary

Bill Number 1131 2S HB	Title Solid waste management
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This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	2024-33 TOTAL
Office of Attorney General	0	0	0	0	0	0	0	0	0	0	0
Department of Commerce Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
Department of Revenue	0	0	0	485,000	3,003,000	3,095,000	3,189,000	3,286,000	3,388,000	3,492,000	19,938,000
Liquor and Cannabis Board	0	0	0	0	0	0	0	0	0	0	0
Utilities and Transportation Commission	0	0	0	0	0	0	0	0	0	0	0
Department of Health	0	0	0	0	0	0	0	0	0	0	0
Department of Ecology	0	0	1,956,526	915,121	968,996	1,077,437	727,954	727,954	877,957	727,954	7,979,899
Environmental and Land Use Hearings Office	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	1,956,526	1,400,121	3,971,996	4,172,437	3,916,954	4,013,954	4,265,957	4,219,954	27,917,899



Ten-Year Analysis

Bill Number 1131 2S HB	Title Solid waste management	Agency 100 Office of Attorney General
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
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Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 3/6/2023 9:33:26 pm
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 3/6/2023 9:33:26 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1131 2S HB	Title Solid waste management	Agency 103 Department of Commerce
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
Total												

Biennial Totals

Narrative Explanation (Required for Indeterminate Cash Receipts)

The impact of the proposed legislation on new fees established in Section 307 is indeterminate. Distributor responsibility organizations (DRO) would begin implementation fiscal year 2028 and must remit \$15 million to the state by December 31, 2027. For a DRO that begins operation of a deposit return system after January 1, the remittance shall be prorated. The Department of Commerce (department) cannot estimate the number of DROs that would form, when they would form to begin operations, and the remittance required for deposit into the proposed Recycling Revenue Augmentation Fund (RRAF). The department also cannot estimate the share of resources that must be returned to the corresponding DRO after reimbursements from the RRAF have been made to eligible entities. For these reasons, the department cannot estimate the fee generated by the proposed legislation.

Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 2/27/2023 3:38:27 pm
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 2/27/2023 3:38:27 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1131 2S HB	Title Solid waste management	Agency 140 Department of Revenue
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	2024-33 TOTAL
Business and occupation tax	001				470,000	2,910,000	2,999,000	3,091,000	3,185,000	3,283,000	3,384,000	19,322,000
Litter Tax	044				15,000	93,000	96,000	98,000	101,000	105,000	108,000	616,000
Total					485,000	3,003,000	3,095,000	3,189,000	3,286,000	3,388,000	3,492,000	19,938,000
Biennial Totals					485,000	6,098,000		6,475,000		6,880,000		19,938,000

Narrative Explanation (Required for Indeterminate Cash Receipts)

Note: This fiscal note reflects language in 2SHB 1131-4, 2023 Legislative Session.

This fiscal note addresses all of Part 3 of the bill which impacts the Department of Revenue (department).

COMPARISON OF THE SECOND SUBSTITUTE BILL WITH THE SUBSTITUTE BILL:
 The second substitute bill adds a deduction to the B&O tax for the refund value of qualifying beverages sold by retail businesses. The amount of the deduction claimed for given period cannot exceed the refund value of beverage containers sold during that period.

The second substitute bill adds an exemption to the litter tax for the refund value of qualifying beverage containers if the charge is separately stated on an invoice.

The new tax preference performance provisions do not apply to both the B&O deduction and the Litter tax exemption (see section 322 of the bill).

CURRENT LAW:
 The department is not involved in a litter tax study at this time.



Ten-Year Analysis

Bill Number 1131 2S HB	Title Solid waste management	Agency 140 Department of Revenue
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

BUSINESS AND OCCUPATION TAX

Washington levies the business and occupation (B&O) tax, on gross income from Washington-based business activity. The tax rate varies by classification. For retailing activities, the tax rate is 0.471%.

LITTER TAX

Washington levies the litter tax on manufacturers, wholesalers, and retailers of products which contribute to the litter problem in the state. Among other products, the litter tax applies to soft drinks and carbonated beverages, glass containers, and metal containers. The rate is .00015 of the taxable amount.

PROPOSAL:

The bill requires the Department of Ecology and the department to conduct a study of the impact of new requirements for the producers and distributors of certain products that contain packaging materials. The study will examine the impact of the new requirements on litter rates for the covered products. The study will also examine whether the current litter tax administration, compliance, or incidence could be improved. The department of ecology will consult with the department whether the litter tax is meeting the legislative purposes.

The Department of Ecology will provide recommendations to the appropriate legislative committees by January 1, 2029.

The bill requires all qualifying beverage containers sold in the state to have a refund value of 10 cents. This refund value increases the gross receipts of retail businesses subject to the B&O tax. The refund value also increases the taxable value of products subject to the litter tax.

The bill adds a deduction to the B&O tax for the refund value of qualifying beverages sold by retail businesses. The amount of the deduction claimed for a given period cannot exceed the refund value of beverage containers sold during that period.

The bill adds an exemption to the litter tax for the refund value of qualifying beverage containers if the charge is separately stated on an invoice.

The new tax preference performance provisions do not apply to both the B&O deduction and the Litter tax exemption (see section 322 of the bill).

EFFECTIVE DATE:

The bill takes effect 90 days after final adjournment of the session.

ASSUMPTIONS:



Ten-Year Analysis

Bill Number	Title	Agency
1131 2S HB	Solid waste management	140 Department of Revenue

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

- The deposit paid to purchase the beverage containers are subject to retailing B&O tax.
- This estimate assumes that all retailers will separate the deposit from the retail sale amount. If the retailer states the charge for the deposit separately in the transaction and the separately stated charge equals the refund amount, then the deposit is exempt from retail sales tax. If the charge is not separately stated and not equal to the deposit amount, then the charge is retail sales taxable.
- The Department of Ecology estimates the total volume of eligible beverage containers sold in Washington at 5 billion units in 2021.
- The volume of beverage containers sold in Washington will grow at an average rate of 3.067%
- The Deposit Return System will be implemented on July 1, 2027. Distributor Responsibility Organizations will begin to require the collection of deposits 60 days prior to that date on May 1, 2027.
- The deposit paid to purchase the beverage containers is subject to the litter tax. The litter tax rate is .00015 of the taxable amount.

DATA SOURCES:

- Department of Ecology, Assumptions
- Bureau of Economic Analysis, Per capita food and beverage purchases 1997-2020

REVENUE ESTIMATES:

This bill adds a deduction for B&O tax obligations created by the deposit fees. The bill also adds an exemption for the fee from Litter tax. Thus any new state revenues from taxes on the deposit fee are exempt which results in a zero net revenue impact.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2024 - \$ 0
FY 2025 - \$ 0
FY 2026 - \$ 0
FY 2027 - \$ 0
FY 2028 - \$ 0
FY 2029 - \$ 0

Local Government, if applicable (cash basis, \$000): None



Ten-Year Analysis

Bill Number 1131 2S HB	Title Solid waste management	Agency 140 Department of Revenue
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Agency Preparation: Spencer Brien	Phone: 360-534-1528	Date: 3/2/2023 6:30:47 pm
Agency Approval: Valerie Torres	Phone: 360-534-1521	Date: 3/2/2023 6:30:47 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1131 2S HB	Title Solid waste management	Agency 195 Liquor and Cannabis Board
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
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Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 3/2/2023 11:08:50 am
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 3/2/2023 11:08:50 am
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1131 2S HB	Title Solid waste management	Agency 215 Utilities and Transportation Commission
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts **Partially Indeterminate Cash Receipts** **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code												
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Agency Preparation: Amy Andrews	Phone: 360-481-1335	Date: 2/28/2023 2:08:39 pm
Agency Approval: Amy Andrews	Phone: 360-481-1335	Date: 2/28/2023 2:08:39 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1131 2S HB	Title Solid waste management	Agency 303 Department of Health
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												

Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 2/28/2023 9:18:07 am
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 2/28/2023 9:18:07 am
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1131 2S HB	Title Solid waste management	Agency 461 Department of Ecology
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	2024-33 TOTAL
Distributor Responsibility Organization Fee	NEW			301,406	301,406	301,406	301,406	301,406	301,406	301,406	301,406	2,411,248
Producer Responsibility Organization Fee	23P			502,500								502,500
Producer Responsibility Organization Fee	NEW			1,152,620	613,715	667,590	776,031	426,548	426,548	576,551	426,548	5,066,151
Total Producer Responsibility Organization Fee				1,655,120	613,715	667,590	776,031	426,548	426,548	576,551	426,548	5,568,651
Total				1,956,526	915,121	968,996	1,077,437	727,954	727,954	877,957	727,954	7,979,899
Biennial Totals				2,871,647		2,046,433		1,455,908		1,605,911		7,979,899

Narrative Explanation (Required for Indeterminate Cash Receipts)

Fees (Sections 104, 214, and 305)

Responsible Packaging Management Account (RPMA)

Section 104 (2) would require Ecology to determine an annual fee (for the following year) to be paid by each producer responsibility organization (PRO) to adequately cover Ecology's implementation, administration, and enforcement costs for the chapters created in sections 601 and 602, in addition to the costs of the performance rates study and statewide needs assessment (section 105), and support and facilitation of the advisory council (section 120), by April 1, 2025, and annually thereafter.



Ten-Year Analysis

Bill Number	Title	Agency
1131 2S HB	Solid waste management	461 Department of Ecology

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 103 (4) would require the PRO to submit an annual fee payment by June 30, 2025, and annually thereafter, to cover Ecology's costs for the next fiscal year, as determined in section 104. The June 30, 2025 PRO payment would also include Ecology's contractor costs for the performance rate study, needs assessment, and advisory council facilitator.

Ecology assumes the first fee receipt collections would be for FY 2026 (billed in FY 2025). One PRO would be subject to the annual payment to support implementation of the EPR program and the PCRC requirements established in the chapter created in section 602. All receipts would be deposited in the RPMA (section 127), except for the portion of the FY 2026 payment to recover the contractor costs identified in section 103(4)(a)(ii) and (iii) would be deposited in the MTCA- Operating Account. Section 104 (b) specifies that the workload analysis prepared in April 2025 must include contractor costs in section 103(4)(a)(ii) and (iii), and that this portion of the fee must be deposited in the account that paid for these costs. Based on this, Ecology assumes that we would recover the contractor costs incurred in FY 2024 and FY 2025 in MTCA-Operating.

Estimated RPMA Revenue

- FY 2026: \$1,152,620
- FY 2027: \$613,715
- FY 2028: \$667,590
- FY 2029: \$776,031
- FY 2030: \$426,548
- FY 2031: \$426,548
- FY 2032: \$576,551
- FY 2033: \$426,548

Estimated MTCA-Operating Revenue

- FY 2026: \$502,500

Deposit Return Organization Program Account (DROP Account)

Section 304 (5) would require DRO to submit an annual fee payment by June 30th of the fiscal year of initial registration, annually thereafter, to cover Ecology's costs in section 305. Fees would be deposited in the DROP Account created in section 318.



Ten-Year Analysis

Bill Number 1131 2S HB	Title Solid waste management	Agency 461 Department of Ecology
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 305 (2) would require Ecology to determine an annual fee (for the following fiscal year) to be paid by each DRO to adequately cover Ecology's implementation, administration, and enforcement costs for the chapter created in section 603, by April 1st of the year a DRO has notified Ecology of intent to implement a deposit return system under section 302, and annually thereafter.

Section 305 (6) would allow a distributor independently fulfilling the duties and requirements of a DRO to pay a fee in lieu of the fee payment described in section 304 (5). The alternate fee would be ten cents per qualifying beverage container. For purposes of the fiscal note, Ecology assumes all distributors would choose to sign up with a DRO and not operate independently as a DRO. Based on this assumption, Ecology assumes no cash receipts from the alternate fee in section 305 (6).

Ecology assumes one DRO would register to operate a deposit return system on July 1, 2024. The first fee receipt collections would be due June 30, 2025 (for FY 2026). Ecology assumes one DRO would be subject to the annual payment to support implementation of the DRS program. If more than one DRO were to implement the requirements of section 304, annual fees would be allocated among the DRO based on each DRO's proportionate share of qualifying beverage containers managed by weight.

For purposes of this fiscal note, Ecology assumes changes in cash receipts are shown to match expenditure changes by fiscal year consistent with the bill's intent.

Estimated DROP Account Revenue
FY 2026 through FY 2033: \$301,406

Agency Preparation: My-Hanh Mai	Phone: 360-742-6931	Date: 3/3/2023 5:04:12 pm
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 3/3/2023 5:04:12 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1131 2S HB	Title Solid waste management	Agency 468 Environmental and Land Use Hearings Office
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
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Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 3/2/2023 9:53:40 am
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 3/2/2023 9:53:40 am
OFM Review:	Phone:	Date: