

SENATE BILL REPORT

SB 5357

As Reported by Senate Committee On:
Energy, Environment & Telecommunications, February 21, 2013

Title: An act relating to directing state investments of existing litter tax revenues under chapter 82.19 RCW in material waste management efforts without increasing the tax rate

Brief Description: Directing state investments of existing litter tax revenues under chapter 82.19 RCW in material waste management efforts without increasing the tax rate.

Sponsors: Senators Honeyford, Delvin, Ericksen, Hobbs, Hatfield and Rolfes.

Brief History:

Committee Activity: Energy, Environment & Telecommunications: 2/12/13, 2/21/13 [DPS-WM].

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

Majority Report: That Substitute Senate Bill No. 5357 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Ericksen, Chair; Sheldon, Vice Chair; Ranker, Ranking Member; Billig, Brown, Chase, Cleveland, Honeyford and Litzow.

Staff: Jan Odano (786-7486)

Background: A tax is imposed on businesses whose products, including the packaging, wrapping, and containers are reasonably related to the litter problem in the state. The types of products that fall under this tax include beer, cigarettes, soft drinks, newspapers and magazines, glass containers, metal containers, and household paper and paper products.

The revenues from the litter tax are allocated to the Department of Ecology (Ecology). Ecology is the coordinating agency between organizations looking to assist in waste reduction, litter control, and recycling as well as with state agencies and local governments that receive funding for litter control and recycling activities.

Of the funds in the litter tax account, 50 percent are for use by Ecology, the Department of Natural Resources, Department of Corrections, Department of Transportation, and the Parks and Recreation Commission for litter collection programs. The Department of Revenue also receives a small portion of the revenue for administering the funds in the account. These

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funds are also used for a biennial litter survey, statewide public awareness programs, and to defray local government administration costs so that they can apply all of their funding to achieving program goals.

Twenty percent of the litter tax revenues go to local governments for waste reduction, litter control, and recycling activities. The remaining 30 percent of the funds goes to Ecology for waste reduction and recycling efforts.

In addition to litter control and recycling activities, Ecology must encourage and organize voluntary local waste reduction, anti-litter and recycling campaigns; search for available funding for litter control programs; conduct a biennial statewide litter survey; and provide a summary of all waste reduction, litter control, and recycling efforts.

In 2010, the litter crews organized through state and local agencies picked up 3.8 million pounds of litter.

Summary of Bill (Recommended Substitute): Ecology must coordinate the use of the litter tax funds for recycling, composting, and litter collection, reduction, and control programs with a priority given to the products taxed under the litter tax.

Of the 50 percent of the funds provided to Ecology and other agencies for litter collection programs, the agencies must use these funds to support employment of youth in litter cleanup and for litter pickup by other authorized agencies.

From the 20 percent of the funds to local governments, Ecology must create a matching fund competitive grant program. The grant program must provide funding to local governments and nonprofit organizations for public education programs, litter reduction, recycling, and composting of the taxed products. A grant may not exceed \$60,000 and the recipient must provide a match equal to 25 percent of the eligible expenses. The grants are contingent on the availability of money appropriated. The local government programs must also include composting.

The use of the 30 percent of the funds to Ecology are specified for implementation of waste reduction, litter control, and recycling activities; technical assistance to local governments for commercial business and residential recycling and composting programs for taxed products; and increased access to composting and recycling programs for food packaging and plastic bags.

Any funds unused by state agency litter control programs or other waste reduction, recycling, and composting activities may be applied to the competitive matching grant program.

EFFECT OF CHANGES MADE BY ENERGY, ENVIRONMENT & TELECOMMUNICATIONS COMMITTEE (Recommended Substitute):

- Clarifies the competitive grant program.
- Specifies grant requirements.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: There are fiscal impacts not considered by the Governor's budget. We are working with stakeholders to reduce these impacts. The bill clarifies the use of the litter tax and supports the litter, waste reduction, and recycling programs. This is a key source of funding for local communities and state agencies. This will ensure that the litter tax dollars are used for cleaning up litter and for local government programs designed for recycling and disposal or composting of the products being taxed.

Persons Testifying: PRO: Laurie Davies, Ecology; Suellen Mele, Zero Waste WA; Carolyn Logue, WA Food Industry Assn.