## SUBSTITUTE HOUSE BILL 1420

State of Washington 69th Legislature 2025 Regular Session

By House Environment & Energy (originally sponsored by Representatives Reeves, Berry, Mena, Peterson, Ramel, Doglio, Pollet, Ormsby, and Hill)

- 1 AN ACT Relating to establishing producer responsibility for
- 2 textiles; reenacting and amending RCW 43.21B.110 and 43.21B.300;
- 3 adding a new chapter to Title 70A RCW; and prescribing penalties.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** The intent of this chapter is to establish
- 6 a statewide extended producer responsibility program for apparel and
- 7 textile articles that emphasizes repair and reuse, and minimizes
- 8 generation of hazardous waste, generation of greenhouse gases,
- 9 environmental impacts, environmental justice impacts, and public
- 10 health impacts.
- 11 <u>NEW SECTION.</u> **Sec. 2.** The definitions in this section apply
- 12 throughout this chapter unless the context clearly requires
- 13 otherwise.
- 14 (1)(a) "Apparel" means clothing and accessory items intended for
- 15 regular wear or formal occasions and outdoor activities.
- 16 (b) "Apparel" includes undergarments, shirts, pants, skirts,
- 17 dresses, overalls, bodysuits, costumes, vests, dancewear, suits,
- 18 saris, scarves, tops, leggings, school uniforms, leisurewear,
- 19 athletic wear, sports uniforms, swimwear, formal wear, onesies, bibs,
- 20 footwear, handbags, backpacks, knitted and woven accessories,

p. 1 SHB 1420

jackets, coats, snow pants, ski pants, and everyday uniforms for workwear.

(c) "Apparel" does not include any of the following:

- (i) Personal protective equipment worn to protect the wearer from health or environmental hazards;
- (ii) Personal protective equipment or clothing items for use by the United States military; or
- (iii) Reusable products designed to collect and absorb urine and feces, or reusable products regulated by the United States food and drug administration that are designed to collect and absorb menstruation or vaginal discharge.
- (2) "Authorized collector" means a person or entity that has entered into an agreement with a producer responsibility organization to collect covered products.
- (3) "Authorized sorter" means a person or entity that has entered into an agreement with a producer responsibility organization to sort covered products collected by authorized collectors.
- (4) "Brand" means a trademark, including both a registered trademark and an unregistered trademark, a logo, a name, a symbol, a word, an identifier, or a traceable mark that identifies a covered product and identifies the owner or licensee of the brand.
- (5) "Collection box" means an unattended container, box, receptacle, or similar device used for soliciting and collecting donations of covered products, including apparel or textile articles.
- (6) "Collection site" means a permanent or temporary location operated by an authorized collector at which covered products are collected and prepared for transport in accordance with the requirements of this chapter.
- (7) "Consumer" means an owner of a covered product, including a person, business, corporation, limited partnership, nonprofit organization, or governmental entity, and includes the ultimate purchaser, owner, or lessee of a covered product who is not, as to that covered product, the distributor, importer, producer, recycler, retailer, or producer responsibility organization.
- 35 (8) "Covered product" means an apparel or textile article 36 introduced into the state.
  - (9) "Department" means the department of ecology.
- 38 (10) "Distributor" means a company that has a contractual 39 relationship with one or more producers to market and sell covered 40 products to a retailer.

p. 2 SHB 1420

(11) "Importer" means either:

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- (a) A person qualifying as an importer of record for purposes of 19 U.S.C. Sec. 1484(a)(2)(B), as it existed as of January 1, 2025, with regard to the import of a covered product that is sold, distributed for sale, or offered for sale in or into the state that was manufactured or assembled by a company outside of the United States; or
  - (b) A person importing into the state for sale, distributing for sale, or offering for sale in the state a covered product for use in the state that was manufactured or assembled by a company physically located outside of the state.
- 12 (12) "Introduce" means to sell, offer for sale, distribute, or ship a product within or into this state.
- 14 (13) "Local jurisdiction" means a county, city, or other 15 political subdivision of the state that provides solid waste 16 collection services.
  - (14) "Mail-back program" means a method of collecting covered products using prepaid, preaddressed, mailing envelopes, boxes, or other means that are reusable, recyclable, or compostable.
- 20 (15) "Needs assessment" means a needs assessment prepared under 21 section 5 of this act.
- 22 (16) "Online marketplace" means a consumer-directed, 23 electronically accessed platform for which all of the following are 24 true:
  - (a) The platform includes features that allow for, facilitate, or enable third-party sellers to engage in the sale, purchase, payment, storage, shipping, or delivery of a covered product in this state;
  - (b) The features described in (a) of this subsection are used by third-party sellers; and
- 30 (c) The platform has a contractual relationship with consumers 31 governing their use of the platform to purchase consumer products.
  - (17) (a) "Producer" means:
  - (i) A person who manufactures a covered product and owns or is the licensee of the brand or trademark under which that covered product is introduced in or into the state;
  - (ii) If there is no person in Washington who is the producer for purposes of (a)(i) of this subsection, the producer of the covered product is the owner of a brand or trademark or, if the owner is not in the state, the exclusive licensee of a brand or trademark under which the covered product is sold, imported for sale, offered for

p. 3 SHB 1420

sale, or distributed for sale in or into the state, regardless of whether the trademark is registered. For purposes of this subsection, an exclusive licensee is a person holding the exclusive right to use a trademark or brand in the state in connection with the manufacture, sale, or distribution for sale in or into the state of the covered product;

- (iii) If there is no person in the state who is the producer for purposes of (a)(i) or (ii) of this subsection, then the producer of the covered product is the person that imports the covered product into the state for sale or distribution;
- (iv) If there is no other person in the state who is the producer for purposes of (a)(i), (ii), or (iii) of this subsection, the producer of the covered product is the distributor, retailer, or wholesaler who sells the product in or into the state; or
- (v) A person is the "producer" of a covered material introduced in or into this state, as defined in (a)(i) through (iv) of this subsection, except where another person has mutually signed an agreement with a producer as defined in (a)(i) through (iv) of this subsection that contractually assigns responsibility to the person as the producer, and the person has joined a registered producer responsibility organization as the responsible producer for that covered material under this chapter. If another person is assigned responsibility as the producer under this subsection, the producer under (a)(i) through (v) of this subsection must provide written certification of that contractual agreement to the producer responsibility organization; (b) For purposes of this chapter, the sale of a covered product must be deemed to occur in the state if the covered product is delivered to the customer in the state;
  - (c) "Producer" does not include:

- (i) A seller that sells only secondhand covered products;
- (ii) (A) A seller with less than \$1,000,000 in annual aggregate global turnover as annually adjusted for inflation. The department must use the consumer price index for urban wage earners to calculate the annual rate of inflation adjustment effective January 1st of each year.
- 36 (B) The aggregate global turnover of a producer must be 37 calculated by adding together the respective turnovers of all of the 38 following:
  - (I) The producer concerned;

p. 4 SHB 1420

1 (II) Those entities in which the producer is concerned directly or indirectly, through ownership of more than one-half of the capital or business assets, through the power to exercise more than one-half 3 of the voting rights, through the power to appoint more than one-half 4 of the members of the supervisory board, the administrative board, or 5 6 bodies legally representing the undertakings, or through the right to manage the entities' affairs; 7

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- (III) Those entities that have the rights or powers identified in 8 9 (c) (ii) (B) (II) of this subsection;
- Those entities in which an entity referred to 10 11 (c)(ii)(B)(III) of this subsection has the rights or powers listed in 12 (c)(ii)(B)(II) of this subsection; or
- (V) Those entities in which two or more entities referred to in 13 (c)(ii)(B)(I) through (IV) of this subsection jointly have the rights 14 or powers listed in (c)(ii)(B) of this subsection. 15
  - (18) "Producer responsibility organization" means:
  - (a) An organization that is exempt from taxation under section 501(c)(3) of the federal internal revenue code of 1986, is formed for the purpose of implementing a plan to meet the requirements of this chapter, and is approved by the department; or
  - (b) A producer that registers with the department as a producer responsibility organization and implements an individual plan addressing the covered products of the producer.
  - "Plan" means the plan developed by the producer responsibility organization for the collection, transportation, repair, recycling, and safe and proper management of covered products under this chapter containing the contents specified in section 6 of this act and submitted to the department for approval under section 7 of this act.
  - (20) "Repair" means any alteration or improvement of damaged covered product deemed worth the cost of repair by criteria established by the plan including, but not limited to:
    - (a) Redesigning and repurposing;
    - (b) Mending rips, holes, seams, or hems;
- (c) Removing and repairing surface damage, such as pilling, stain 35 36 removal, or abrasion;
  - (d) Securing and reattaching buttons and other fastenings;
- (e) Dyeing, redyeing, overdyeing, or printing of images 38 39 covered products; or
  - (f) Preparation for reuse and resale.

p. 5 SHB 1420 (21) "Responsible market" means an entity that:

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- 2 (a) First produces and sells, transfers, or uses recycled product 3 or recycled content feedstock that meets the quality standards 4 necessary to be used in the creation of new or reconstituted 5 products;
- 6 (b) Complies with all applicable federal, state, and local 7 statutes, rules, ordinances, and other laws governing environmental, 8 health, safety, and financial responsibility;
- 9 (c) If the market operates in the state, manages waste according 10 to the state's solid waste management hierarchy established in RCW 11 70A.205.005(8); and
- 12 (d) Meets the minimum operational standards adopted under a 13 producer responsibility organization plan to protect the environment, 14 public health, worker health and safety, and minimize adverse impacts 15 to socially vulnerable populations.
- 16 (22) "Responsible producer" means a producer that is not excluded 17 under subsection (16)(c) of this section.
  - (23) "Retailer" means a person who sells or offers for sale a covered product in or into the state to a person through any means including, but not limited to, sales outlets, catalogs, the telephone, the internet, or any electronic means.
  - (24) "Reuse" means the resale of a collected covered product to a consumer for its original intended use with or without repair.
    - (25) "Secondhand covered product" means any covered product that has previously been owned by a consumer.
    - (26) "Secondhand markets" means a retailer who sells secondhand covered products including, but not limited to, thrift stores, collection box operators, online resale platforms, and flea markets.
      - (27) "Socially vulnerable population" includes:
    - (a) Any person residing in a census tract that contains a high overall social vulnerability index as measured using the United States center for disease control's and the agency for toxic substances and disease registry's social vulnerability index, as it existed as of January 1, 2025, for the most recent year such data are available; and
  - (b) Any person who has an income below the minimum necessary for a household based on family composition in a given geography to adequately meet their basic needs without public or private assistance, as measured by the University of Washington's center for women's welfare, for the most recent year such data are available.

p. 6 SHB 1420

(28)(a) "Textile article" means an item customarily used in households or businesses that are made entirely or primarily from a natural, artificial, or synthetic fiber, yarn, or fabric. For purposes of this chapter, "textile article" includes blankets, curtains, fabric window coverings, knitted and woven accessories, towels, tapestries, bedding, tablecloths, napkins, linens, and pillows.

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- 8 (b) "Textile article" does not include single-use products 9 including paper towels, paper napkins, toilet paper, facial tissue, 10 or wet or dry wipes.
- 11 (29) "Third-party seller" means a person or entity, independent 12 of an online marketplace, who sells, offers to sell, or contracts 13 with an online marketplace to sell a consumer product in the state by 14 or through an online marketplace.
- NEW SECTION. Sec. 3. (1) By January 1, 2027, each producer of a 15 16 covered product must register with the department as a producer 17 responsibility organization, or join a producer responsibility 18 organization that registers on behalf of its member producers with 19 the department. The application of a producer responsibility must describe how the producer responsibility 20 organization organization meets the registration requirements of this section. If 21 22 registration applications for more than one producer responsibility organization, other than individual producers registering as producer 23 24 responsibility organizations, are submitted to the department, the 25 department must determine and register the proposed producer responsibility organization that can most effectively implement this 26 27 chapter.
  - (2) The department must, by March 1, 2027, approve a producer responsibility organization that meets the requirements of this chapter and:
  - (a) The producer responsibility organization has a governing board consisting of producers that are diverse in size and type and that represent the diversity of covered products placed in the market by those entities. The governing board may include ex officio members involved in the collection, sorting, repair, reuse, recycling, or management of covered products; and
- 37 (b) The producer responsibility organization demonstrates that it 38 has adequate financial responsibility and financial controls in

p. 7 SHB 1420

place, including fraud prevention measures and an audit schedule, to ensure proper management of funds.

- (3) After January 1, 2036, the department may determine that an additional producer responsibility organization would be beneficial in satisfying the requirements of this chapter, and may approve the registration of additional producer responsibility organizations that meet the requirements of this chapter and that:
- (a) Submits to the department, and agrees to cover the department's reasonable costs to review, a petition to establish a new producer responsibility organization;
  - (b) Is composed of a sufficient number of producers to jointly comply with the requirements of this chapter; and
  - (c) The proposed producer responsibility organization agrees to cover the costs of all of the provisions of this chapter applicable to the proposed producer responsibility organization and its participant producers.
  - (4) The requirements of subsections (2)(a) and (b) and (3)(a), (b), and (c) of this subsection do not apply to producers registering with the department as a producer responsibility organization. The department may require an individual producer registering with the department as a producer responsibility organization to pay incremental costs to the department under this chapter associated with the registration of the individual producer as a producer responsibility organization.
  - (5) Each producer covered under a producer responsibility organization must register with that producer responsibility organization in accordance with the procedures and requirements established by that producer responsibility organization and must comply with those procedures and requirements.
  - (6) Upon the approval of a plan under this chapter or by July 1, 2031, whichever is sooner, a producer is subject to penalties under this chapter unless:
  - (a) The producer is a participant of a producer responsibility organization whose registration has been approved by the department or the producer has received registration approval from the department as a producer responsibility organization; and
- 37 (b)(i) For producers that have joined a producer responsibility 38 organization, all covered products are accounted for in the plan; or

p. 8 SHB 1420

(ii) For producers that are registered as a producer responsibility organization, all covered products of the producer are accounted for in the plan; and

- (c) If an entity does not meet the definition of a producer and is not subject to this chapter before January 1, 2031, but at any point, after January 1, 2031, meets the definition of a producer, the producer must, within 90 days, become a participant of the producer responsibility organization or register with the department as a producer responsibility organization, and comply with the requirements of this chapter.
- (7) A producer is not in compliance with this chapter and is subject to penalties under section 15 of this act if a covered product sold or offered for sale by the producer is not subject to an approved producer responsibility organization plan.
- (8) (a) No later than 30 days after the effective date of rules adopted by the department to implement this chapter, each producer or the producer responsibility organization must provide the department, in a form and manner established by the department, a list of brands of covered products that each producer sells, distributes for sale, imports for sale, or offers for sale in or into the state;
- (b) A producer or producer responsibility organization must update the list described in (a) of this subsection and provide the updated list to the department on or before January 15th of each year, or upon request of the department.
  - NEW SECTION. Sec. 4. (1) Each producer responsibility organization whose registration has been approved by the department under section 3 of this act must, individually or collaboratively, prepare and cover the costs of the needs assessments described in section 5 of this act.
- 30 (2) Each producer responsibility organization must manage 31 collection sites consistent with section 9 of this act.
  - (3) Each participant of a producer responsibility organization with an approved plan must comply with the requirements of this chapter. The producer responsibility organization must notify the department within 30 calendar days of any of the following:
  - (a) The end of any three-month period in which the producer responsibility organization unsuccessfully attempted to obtain a fee, records, or other information from a participant producer, or received incomplete or incorrect records or information;

p. 9 SHB 1420

- 1 (b) The date a producer no longer participates in a producer responsibility organization's plan; or
  - (c) Any instance of noncompliance by a producer.

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- (4) (a) Producers and a producer responsibility organization, acting on behalf of producers that prepare, submit, and implement a plan pursuant to this chapter and who are thereby subject to regulation by the department, are hereby granted immunity from state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade and commerce, for the limited purpose of planning, reporting, and operating the stewardship program, including:
  - (i) The creation, implementation, or management of the producer responsibility organization and any plan regardless of whether it is submitted, denied, or approved;
    - (ii) The cost and structure of a plan; and
- 16 (iii) The types or quantities of covered products being managed 17 pursuant to this chapter.
- 18 (b) The immunity granted in (a) of this subsection does not apply 19 to:
- 20 (i) Fixing a price of or for covered products, except for an 21 agreement related to costs or charges associated with participation 22 in a plan approved by the department;
  - (ii) Fixing the output or production of covered products; or
- 24 (iii) Restricting the geographic area in which, or customers to 25 whom, covered products will be sold.
- NEW SECTION. Sec. 5. (1)(a) Each statewide needs assessment carried out by a producer responsibility organization must be designed to determine the necessary steps and investment needed for covered products to achieve the requirements of this chapter.
  - (b) An initial needs assessment for covered products must be completed prior to the completion and approval of a plan for covered products under this chapter. The initial needs assessment must be submitted to the department by March 1, 2028. The department must review and approve, conditionally approve, or disapprove the needs assessment as meeting the requirements of this section within 90 days of submission.
- 37 (c) Needs assessments must be updated, in whole or in part, at 38 least every five years, and as necessary to ensure the requirements 39 of this chapter are met.

p. 10 SHB 1420

1 (d) A producer responsibility organization may select an 2 independent third-party contractor to complete the needs assessment.

- (e) A producer responsibility organization may prepare more than one needs assessment, with each assessment specific to one or more covered products under this chapter, or may prepare one comprehensive needs assessment that includes all covered products under this chapter.
  - (2) Each needs assessment must comply with all of the following:
    - (a) Be designed to inform the program budget and plan; and
- (b) Include an evaluation of all of the following with respect to covered products and covered product categories:
- (i) Existing scope and scale of annual covered products diverted to landfill or incineration in the state by type of covered product, material composition, and volume and annual covered product recovery diverted to reuse, repair, or recycling in the state or from the state by type of covered product, material composition, and volume;
- (ii) The current repair, reuse, recycling, collection, sorting, and hauling system in the state and the expanded access and additional repair, reuse, recycling, collection, sorting, disassembly, and hauling options needed to meet the requirements of this chapter;
- (iii) Current market conditions and the need to create responsible and economically viable end markets in the state, regionally, and globally;
  - (iv) Existing state statutory provisions and funding sources related to market development and financial incentives to help achieve the state's goals related to repair, reuse, recycling, collection, sorting, disassembly, and hauling;
  - (v) Consumer education needs and the methods by which the producer responsibility organization can best reach customers with educational messaging;
  - (vi) Consumer behaviors to drive repair, reuse, and recycling and to achieve the requirements of this chapter;
- (vii) Funding needs and incentive mechanisms necessary to achieve the requirements of this chapter, including coverage of the operation of the stewardship program;
  - (viii) Fee reduction or redistribution mechanism necessary to achieve the requirements of this chapter, in a manner that equitably distributes the costs among participating producers that reflects production and sales volumes relevant to the Washington market. Fee

p. 11 SHB 1420

reduction or redistribution mechanisms may consider existing producer collection, repair, reuse, and recycling programs that help achieve the purpose of this chapter;

- (ix) Actions and investments necessary to provide sufficient access to collection, recycling, composting, processing, and transportation to responsible and economically viable end markets;
- (x) An assessment of the availability of existing nonprofit organizations that repair and upcycle covered products;
- (xi) An evaluation of the availability or lack of availability of responsible markets for recycled covered products, the need to incentivize reused products or recycled material market development, and the associated investments or actions needed to ensure that the covered products are reused or recycled and have responsible and economically viable and sufficient end markets;
- (xii) The needs assessment must include an evaluation of the factors contributing to the presence of perfluoroalkyl and polyfluoroalkyl chemicals and other chemicals identified or regulated under chapters 70A.350 and 70A.430 RCW, and the actions and investments needed to avoid contamination related to recycling. This must include available end markets for recycled material that cannot be remanufactured into textiles or textile articles in Washington; and
- (xiii) Evaluate what factors will be important to successfully implement the eco-modulated fee structure required by section 10 of this act, and what associated data collection will be necessary as part of the plan.
  - (3) The department must guide development of each needs assessment. A producer responsibility organization must develop the needs assessment in consultation with a broad diversity of local jurisdictions, federally recognized Indian tribes, recycling service providers, and processors that reflect the different needs and challenges presented by managing different covered products through final disposition.
- NEW SECTION. Sec. 6. (1) Plans must be submitted, reviewed, and approved consistent with section 7 of this act.
- 36 (2) Plans for covered products must be designed to accept and 37 manage all postconsumer covered products and must include all of the 38 following:

p. 12 SHB 1420

1 (a) The names and contact information, including email address, 2 phone number, and mailing and physical addresses, of producers and 3 brands of covered products under the plan;

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- (b)(i) A description of the method to establish and administer a means for fully funding the producer responsibility organization, consistent with section 10 of this act, including a proposed five-year budget;
- (c) Quantifiable five-year and annual performance standards and metrics unless or until the department publishes performance standards under section 8 of this act. The producer responsibility organization must amend its plan to meet or exceed the performance standards published by the department;
- (d) A description of how the producer responsibility organization will provide for a free and convenient drop-off or collection system for covered products consistent with section 9 of this act;
- 16 (e) A description of how the collection sites will be authorized and managed, including:
- 18 (i) How local jurisdictions and federally recognized Indian 19 tribes can request to be a collection site under section 10 of this 20 act;
  - (ii) How the producer responsibility organization will provide to collection sites at no cost the appropriate containers for covered products, training, signage, safety guidance, and educational materials;
  - (iii) The process by which the producer responsibility organization will provide for the transport of covered products at no cost from collection sites to an authorized sorter, or directly to an authorized repair business, nonprofit organization, or recycling facility;
- 30 (iv) How collection sites will be allowed to divert covered 31 products to secondhand markets for reuse;
- (v) A list of all proposed rules, conditions, and requirements for authorized collectors, authorized sorters, and authorized repair businesses, including a template proposed agreement for each of those types of entities, as applicable;
- (vi) How the producer responsibility organization will prioritize the use of secondhand markets and nonprofit retail resellers of covered products, when establishing collection sites to meet the minimum requirements in section 9(2) of this act; and

p. 13 SHB 1420

1 (vii) How collection sites will be instructed to identify and 2 reject counterfeit covered products.

- (f) A description of how covered products will be sorted, transported, processed, reused, and recycled following collection at collection sites, consistent with section 9 of this act;
- (g) A description of the comprehensive statewide education and outreach program designed to educate consumers and promote participation in the program offered by the producer responsibility organization, consistent with section 11 of this act. This description must include a description of the strategies, goals, and metric the producer responsibility organization will use to annually assess and evaluate the efficacy of the comprehensive statewide education and outreach program required by section 11 of this act;
- (h) A description of how the producer responsibility organization will coordinate with other producer responsibility organizations to avoid confusion to the public regarding program activities including, but not limited to, education and outreach, including establishing point-of-sale messaging, a joint website, and toll-free telephone number for purposes of providing information on the program;
- (i) Coordination with and compensation for, and description of the efforts and methods used to coordinate activities with and compensate for, entities who are responsive to a request from the producer responsibility organization, including other producer responsibility organizations, existing collection, reuse, and recycling programs, and community-based organizations, including nonprofit retail establishments that sell reused and repaired covered products, and that contact the producer responsibility organization and are qualified to run or support collection events;
- (j) A description of how the plan will address the presence of perfluoroalkyl and polyfluoroalkyl chemicals and other chemicals identified or regulated under chapters 70A.350 and 70A.430 RCW, including but not limited to the actions and investments needed to avoid contamination in the recycling process and available end markets for recycled material that cannot be remanufactured into textiles or textile articles in Washington;
- (k) A description of how the producer responsibility organization will minimize the negative environmental and human health impacts of all operations associated with the plan, including impacts from collected covered products exported outside of Washington; and

p. 14 SHB 1420

(1) A process by which the financial activities of the producer responsibility organization or individual producers that are related to implementation of the plan will be subject to an independent audit consistent with generally accepted accounting principles.

- (3) Under the plan, a producer responsibility organization must:
- (a) Develop a program to support laundries for laundering covered products that includes funding for technology that reduces water consumption and improves microfiber and microplastic filtration; and
- (b) Develop strategies to address design challenges for covered products including, but not limited to, compostability, reduction and removal of harmful chemicals, microfiber and microplastic shedding, and mixed material blends.
- (4) Plans approved by the department are public records for purposes of chapter 42.56 RCW, except that financial or sales data reported to the department is not a public record consistent with RCW 42.56.270, and is not subject to inspection or copying under chapter 42.56 RCW.
- 18 (5)(a) The plan submitted under this section must be accompanied 19 by a contingency plan demonstrating how the activities in the plan 20 will continue to be carried out by some other entity, if needed, such 21 as a trustee:
- 22 (i) Until such time as a new plan is submitted and approved by 23 the department;
  - (ii) Upon the expiration of an approved plan;
  - (iii) If the producer responsibility organization notifies the department that it will cease to implement an approved plan; or
  - (iv) In any other event that the producer responsibility organization can no longer carry out plan implementation.
  - (b) The contingency plan must guarantee that the contracts, financial data, and other necessary authority and assets to operate the program will vest in a trustee or other entity approved by the department. The trustee must operate the most recently approved plan, subject to the direction of the department, until such time as a new plan is approved. Upon plan expiration or revocation of the plan, the balance of the producer responsibility organization's operating reserves must be transferred to the control of the trustee within five calendar days. All documents, digital records, contracts, and files related to the operation of the plan must be transferred to the control of the trustee within five calendar days.

p. 15 SHB 1420

NEW SECTION. Sec. 7. (1)(a) By January 1, 2029, a producer responsibility organization must develop and submit to the department a complete plan, in a form and manner determined by the department, in accordance with the requirements of this chapter, for the collection, transportation, repair, sorting, recycling, and the safe and proper management of covered products in Washington.

- (b)(i) The department must review each submitted plan for compliance with this chapter and must approve, disapprove, or conditionally approve the plan within 120 days of receipt.
- (ii) If the department disapproves of a plan submitted by a producer responsibility organization, the department must explain how the plan does not comply with this chapter and provide written notice to the producer responsibility organization within 60 days of disapproval. The producer responsibility organization may resubmit to the department a revised plan within 30 days of the date the written notice was issued, and the department must review the revised plan within 60 days of resubmittal.
- (iii) If the department disapproves a revised plan submitted by a producer responsibility organization, the department must explain how the plan does not comply with this chapter and provide written notice to the producer responsibility organization within 60 days of disapproval. The producer responsibility organization must then revise and resubmit the plan consistent with the department's direction within 30 days. A producer responsibility organization that does not revise and resubmit the plan within 30 days consistent with the department's direction is ineligible to submit further revisions and is not in compliance with the requirements of this chapter, and member producers are subject to penalties under this chapter.
- (2) A producer responsibility organization comprised of more than one member producer may not limit its plan for covered products to the covered products of the producer participating in that plan.
- (3) (a) By January 1, 2031, a producer responsibility organization must have a complete plan approved by the department and each producer must be subject to an approved plan in order to be in compliance with this chapter.
- 36 (b) By April 1, 2031, each producer responsibility organization 37 must begin to implement its approved plan. By January 1, 2032, the 38 producer responsibility organization must fully implement its 39 approved plan.

p. 16 SHB 1420

(c) A producer responsibility organization with an approved plan must submit any proposed substantial change to the plan to the department for approval following the process in subsection (1) of this section.

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- (4)(a) A producer responsibility organization must review its plan at least every five years after approved by the department and determine whether revisions are necessary.
- (b) If a producer responsibility organization determines that revisions to the plan are necessary, the producer responsibility organization must submit to the department a revised plan for review and approval consistent with subsections (1) through (3) of this section. The producer responsibility organization must submit the revised plan to the department under this subsection at least 12 months prior to the review deadline identified in (a) of this subsection. The revised plan must include a cover letter that summarizes revisions to the plan within 90 days of the review deadline outlined under this subsection.
- (c) If a producer responsibility organization determines that revisions to the plan are not necessary, the producer responsibility organization must send a letter to the department 12 months prior to the review deadline in (a) of this subsection, explaining that the producer responsibility organization has reviewed the plan and determined that revisions are not needed. The department may disapprove of the producer responsibility organization's determination within 30 days of receipt if the department concludes that the producer responsibility organization cannot implement the requirements of this chapter without revising the plan. department disapproves the producer responsibility organization's determination, the producer responsibility organization must submit to the department a revised plan for review and approval consistent with subsections (1) through (3) of this section. The producer responsibility organization must submit the revised plan under this subsection within 60 days of receipt of the department's disapproval, unless the department determines that additional time is needed.
- NEW SECTION. Sec. 8. (1)(a) A producer of a covered product introduced for use in this state must achieve the quantifiable five-year and annual performance standards and metrics performance standards established in its plan.

p. 17 SHB 1420

(b) After March 1, 2033, a producer of a covered product introduced for use in this state must achieve the performance standards adopted by the department under subsection (2) of this section.

- (2) After March 1, 2033, the department may establish, review, and adjust performance standards and the dates by which they are required to be achieved based on information included in plans and annual reports, other information provided by producer responsibility organizations, department waste characterization studies, needs assessments, and economic and any other relevant information, as determined by the department.
- NEW SECTION. Sec. 9. (1)(a) A producer responsibility organization must approve collection sites under its program that agree to comply with all applicable state, federal, or municipal laws, regulations, and rules and conditions adopted by the producer responsibility organization.
  - (b) A producer responsibility organization must include as a collection site under its program any local jurisdiction or federally recognized Indian tribe that offers in writing to participate in the program and agrees to comply with any producer responsibility organization requirements that are consistent with its approved plan, even if the minimum thresholds described in subsection (2) of this section have been achieved. A producer responsibility organization must include the local jurisdiction or federally recognized Indian tribe as a collection site in the program within 90 days of receiving the written offer to participate. The producer responsibility organization is not required to respond to offers to participate until a plan has been approved by the department.
  - (c) A producer responsibility organization may suspend or terminate a collection site that does not comply with all applicable state, federal, or municipal laws and regulations or adhere to the rules and conditions imposed by the producer responsibility organization.
  - (d) A collection site must be operated and managed to ensure that covered products are collected safely and handled in accordance with all applicable state, federal, and municipal laws and regulations and the rules and conditions of the plan. A producer responsibility organization must allow authorized collectors and authorized sorters to divert reusable covered products for sale in secondhand markets,

p. 18 SHB 1420

in a manner consistent with rules established by the producer responsibility organization in an approved plan.

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- (e) A producer responsibility organization must require all contractors to pay at least the Washington minimum wage.
- (2) A producer responsibility organization must provide for a free and convenient drop-off or collection system for covered products that may include temporary collection sites and mail-back options, and that must include permanent collection sites in each county that:
- 10 (a) Provides for a minimum of 10 permanent collection sites or 11 one permanent collection site per 25,000 people, whichever is 12 greater, except that:
  - (i) A county with a population of 18,000 and under, as reported annually by the office of financial management, must have a minimum of three collection locations;
  - (ii) A county with a population of between 18,001 and 50,000, inclusive, as reported annually by the office of financial management, must have a minimum of four collection locations; and
  - (iii) A county with a population of between 50,001 and 100,000, inclusive, as reported annually by the office of financial management, must have a minimum of eight collection locations;
- 22 (b) Provides for a reasonable geographic spread of permanent 23 collection sites, as justified by a description in the plan.
  - (3) Following collection at a collection site, covered products must:
    - (a) Be handled and managed consistent with the waste management hierarchy established in RCW 70A.205.005(8), including prioritization of reuse, including repair, of collected covered products;
  - (b) Include incentive payments, grants, and market development investments to encourage reuse over recycling and other methods and to support the infrastructure necessary to implement the plan, which must include incentive payments, grants, and market development investments that prioritize infrastructure closer to the point of generation under (e) of this subsection and ensure that covered products are reused or recycled and have responsible and economically viable end markets;
- 37 (c) Be sorted by authorized sorters and the flow of covered 38 products to and from authorized collectors, authorized sorters, 39 authorized repair businesses, and recyclers must be tracked through 40 final disposition;

p. 19 SHB 1420

- (d) Be managed by the producer responsibility organization to maximize the reuse and recycling of all covered products, and to minimize disposal of covered products collected by the producer responsibility organization; and
- (e) Be managed by the producer responsibility organization in a manner that prioritizes, to the extent feasible, the use and development of sorting, repair, and recycling facilities located closer to the point of collection to minimize transportation-related emissions and increase accountability for the ultimate disposition of covered products.
- 11 (4) The producer responsibility organization must conduct an 12 annual assessment, using metrics described in its plan, to determine 13 how collection, sorting, and transportation outcomes aligned with 14 projections.
  - (5) Products designed by use for infants and children under 12 years of age with components that pose a risk of detachment, thus creating choking hazards, or containing components subject to 16 C.F.R. Part 1303 and 1307, including, but not limited to, metallic, vinyl, or plastic snaps, zippers, grommets, closures, or appliques, may be excluded from the reuse and repair under subsection (3)(a) of this section by a producer responsibility organization.
- 22 (6) Nothing in this chapter limits the authority of the utilities 23 and transportation commission to regulate collection of solid waste, 24 including curbside collection of residential recyclable materials, in 25 accordance with chapter 81.77 RCW.
  - NEW SECTION. Sec. 10. (1) Each producer responsibility organization must pay all administrative and operational costs associated with establishing and implementing the program including, but not limited to, the cost of collection, transportation, sorting, repairing, recycling, and the safe and proper management of covered products.
  - (2) (a) A producer responsibility organization must establish a method for fully funding the producer responsibility organization in a manner that distributes the program's costs among participating producers. Upon plan approval, the funding mechanism approved in the plan must reflect:
    - (i) Sales volumes; and

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38 (ii) A per-unit eco-modulated fee that reflects Washington sales 39 volume, existing producer collection, repair, reuse, and recycling

p. 20 SHB 1420

- programs that help achieve the purposes of this chapter, and the cost of reusing, repairing, recycling, or otherwise managing covered products under this chapter. The intent of the eco-modulated fee is to incentivize design choices that facilitate the achievement of goals outlined in the plan, including reuse, repair, and recycling through reduced fees, while using malus fees to disincentivize practices and materials incongruent with the plan. The producer responsibility organization must consider existing collection, repair, reuse, and recycling programs in developing the eco-modulated fee structure.
  - (b) The funding mechanism must demonstrate adequate funding for all administrative and operational costs of the program, to be borne by participating producers, and must distribute participating producers costs in consideration of the cost of managing their specific covered products under the approved plan.
  - (3) (a) A producer responsibility organization must propose in its plan a five-year budget that establishes a funding level sufficient to operate the producer responsibility organization in a prudent and responsible manner. The budget must demonstrate how estimated revenues will cover all budgeted costs for each cost category, and the plan must describe the types of activities related to each line item cost category.
- 23 (b) Budgeted costs categories must include, but are not limited 24 to:
  - (i) Administrative costs, which include the department's actual and reasonable regulatory costs, which include full personnel costs to implement and enforce this chapter and actual regulatory development costs and other startup costs incurred prior to plan submittal and approval;
    - (ii) Education and outreach costs;
    - (iii) Operational costs;

- (iv) Capital costs; and
- (v) A reserve to operate the producer responsibility organization should there be unexpected events, such as losses of income, and large unbudgeted expenses in order to protect the recycling infrastructure the producer responsibility organization relies upon in its plan, during any lapse in producer participating during the life of the program. This cost category must include a reserve level amount that is justified by a description in the plan. The producer responsibility organization must maintain reserve funds sufficient to

p. 21 SHB 1420

- operate the plan for no less than six months. If a new plan submitted by a producer responsibility organization is approved by the department, the producer responsibility organization must establish its reserve and maintain the required reserve fund balance by the end
- 6 (4) Retailers, producers, or producer responsibility 7 organizations may not charge a specific point-of-sale fee to 8 consumers to cover the administrative or operational costs of the 9 producer responsibility organization or the program.

of the second year of plan operation.

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- NEW SECTION. Sec. 11. (1) A producer responsibility organization must develop and implement a comprehensive statewide education and outreach program that, at minimum, includes:
  - (a) An education and communications strategy to effectively promote participation in the program and provide the information necessary for effective participation by consumers, retailers, distributors, wholesalers, local jurisdictions, federally recognized Indian tribes, and others;
  - (b) A joint internet website, in coordination with all other producer responsibility organizations registered with the department, that publicizes the location of collection sites and provides information to consumers on how to drop off covered products at the free and convenient network of collection sites offered by the producer responsibility organization, including any information reasonably necessary to safely and conveniently access the collection, repair, and recycling services offered by the producer responsibility organization;
    - (c) Signage that is prominently displayed and easily visible;
  - (d) Signage and materials that are required by the producer responsibility organization for collection sites, and a method for collection sites to access replacement materials at no cost to the collection site;
  - (e) A strategy to support participation by all Washington communities, including a strategy to communicate with consumers in languages other than English;
  - (f) Promotional materials and activities, or both, that explain the purpose of the producer responsibility organization and the means by which the program is being carried out;
- 38 (g) A strategy to encourage users to separate products that are 39 not covered products from covered products, when appropriate, before

p. 22 SHB 1420

- submitting the covered products to an authorized collection site or mail-back program;
  - (h) Materials designed to inform third-party sellers on online platforms of their duty to comply with this chapter and how to join the producer responsibility organization; and
  - (i) Information for the public on secondhand markets and the benefits of reuse, including repair.
    - (2) The statewide education and outreach program must:

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- 9 (a) Promote the safe and proper management of covered products, 10 including information on where customers can purchase repaired and 11 reused covered products. This must include education and training for 12 authorized collectors to incentivize domestic resale of usable 13 covered products;
- 14 (b) Not promote the disposal of covered products in a manner 15 inconsistent with the services offered by the plan; and
- 16 (c) Include information for consumers about how to avoid improper 17 disposal of covered products.
- NEW SECTION. Sec. 12. (1)(a) A producer responsibility organization must keep board minutes books, and records that clearly reflect the activities and transactions of the producer responsibility organization.
  - (b) A producer responsibility organization must include in its plan a process by which the financial activities of the organization or individual producers that are related to implementation of the plan will be subject to an independent audit consistent with generally accepted accounting principles.
  - (c) The failure of a producer responsibility organization or producer, or their respective agent who holds records, to produce documents or data requested by the department, required to be collected or generated to carry out operation of the plan in the form and manner determined by the department, as part of a department audit, or review of a third-party audit, constitutes a violation of this chapter.
  - (d) A producer responsibility organization must retain an independent public accountant, certified in the United States, to annually audit the accounting books of the producer responsibility organization. The department must review the independent certified public accountant audit for compliance with this chapter and consistency with the producer responsibility organization's plan and

p. 23 SHB 1420

- 1 annual report. After the department conducts its own audit, the department must notify the producer responsibility organization of 2 any conduct or practice that does not comply with this chapter or of 3 inconsistencies identified in the audit. 4 The responsibility organization may obtain copies of the department's 5 6 including proprietary information contained department's audit, upon request and may petition the department to 7 withhold from disclosure confidential proprietary information under 8 chapter 42.56 RCW. The items submitted to the department as part of 9 the independent audit must include: 10
  - (i) Financial statements audited in accordance with generally accepted accounting principles;
- 13 (ii) An audit of the producer responsibility organization's compliance with this chapter; and

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- 15 (iii) An audit of the producer responsibility organization's 16 adherence to, execution of, and consistency with its plan.
  - (2) A producer responsibility organization must annually submit to the department, in the form and manner and by the date determined by the department, an annual report and make that report publicly available on the producer responsibility organization's website. The report must include, at minimum, all of the following information for the preceding calendar year unless otherwise specified:
- 23 (a) The independent audit required under subsection (1)(d) of this section;
  - (b) The producer responsibility organization's costs, according to the cost categories established in the plan, and revenues;
- 27 (c) A summary of any anticipated changes to allocations in cost 28 categories for the next calendar year;
- 29 (d) Any changes to the distribution of a participating producer's 30 costs;
  - (e) The amounts of the eco-modulated fees based on the criteria established under section 10(2) of this act and the producer responsibility organization's evaluation of the effectiveness of the eco-modulated fees;
  - (f) An updated list of producers participating in the plan and an updated list of the names and contact information, including email address, telephone number, and physical and mailing addresses of producer and brands of covered products covered under the plan;
- 39 (g) A list of the producer responsibility organization's 40 collection sites by name, location, and type;

p. 24 SHB 1420

1 (h)(i) The amount of covered products sold in or into the state 2 by the producers covered by the producer responsibility 3 organization's plan;

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- (ii) The amount described in (h)(i) of this subsection must be broken down by fiber type category and harmonized tariff schedule of the United States (HTS) number;
- (i) The total weight of covered products, respectively, that were collected, broken down by fiber type categories;
- (j) The total weight of covered products, by category, that were collected and deemed reusable by each respective authorized collector and authorized sorter;
  - (k) A list of each authorized sorter, authorized repair business, and covered product recycling facility used by the producer responsibility organization, including name and location and the total weight of covered products handled by each location;
  - (1) The total weight and number of covered products sold in or into the state attributed to a producer, who is a registered participant of the producer responsibility organization's plan, which are collected in the state and reused or recycled by the producer responsibility organization, including a description of the methodology and information used to determine and calculate these values;
- 23 (m) A complete accounting of the ultimate disposition of all covered products collected by the producer responsibility organization, including the total weight of covered products that were repaired or recycled;
  - (n) Metrics and a description of the progress towards attaining the performance standards included in the plan;
- 29 (o) A description of the methods used to collect, transport, 30 repair, and recycle covered products by the producer responsibility 31 organization, including a description of:
- 32 (i) How the producer responsibility organization handled and 33 managed covered products according to the waste hierarchy in RCW 70A.205.005(8);
- 35 (ii) How the producer responsibility organization maximized reuse 36 and recycling of all covered products;
- 37 (iii) How the producer responsibility organization minimized 38 disposal of all covered products collected by the producer 39 responsibility organization; and

p. 25 SHB 1420

(iv) Results of the producer responsibility organization's assessment of the efficacy of the collection, sorting, and transportation process;

- (p) A description of how the producer responsibility organization provided incentive payments, grants, and market development investments to support the infrastructure necessary to effectively implement the plan, including how incentive payments, grants, and market development investments prioritized infrastructure closer to the point of generation;
- (q) A description of outreach efforts and education including, but not limited to, the producer responsibility organization's evaluation of the efficacy of the comprehensive statewide education and outreach program in section 11 of this act;
- (r) A description of how the producer responsibility organization coordinated with producer responsibility organizations;
- (s) A report on activities the producer responsibility organization has undertaken to prioritize the use of sorting and recycling facilities located closer to the point of generation to minimize transportation emissions and increase accountability for the ultimate disposition of collected covered products;
- (t) An analysis of whether producer responsibility organization met performance standards established by the producer responsibility organization or by the department under section 8 of this act;
- (u) A description of how the producer responsibility organization addressed the presence of perfluoroalkyl and polyfluoroalkyl chemicals and other chemicals identified or regulated under chapters 70A.350 and 70A.430 RCW, including but not limited to the actions taken and investments made to avoid contamination in the recycling process, and the availability of end markets for recycled material that could not be remanufactured into textiles or textile articles in Washington;
- 32 (v) Any other information deemed relevant by the producer 33 responsibility organization for the department to determine 34 compliance with the approved plan; and
- 35 (w) Other information required by rules adopted by the 36 department.
  - (3) (a) No later than 120 days after the date the department receives the annual report submitted by a producer responsibility organization under subsection (2) of this section, the department

p. 26 SHB 1420

- must notify the producer responsibility organization if the annual 1 report is compliant or noncompliant. 2
- (b) If the department determines that the annual report is 3 noncompliant due to failure to meet the requirements of this chapter, the department may require the resubmittal of the annual report or take enforcement action.

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- 7 NEW SECTION. Sec. 13. (1) Beginning January 1, 2027, each producer of apparel must annually disclose the following to the 8 department: 9
- 10 (a) A notice consistent with RCW 70A.430.060 identifying each covered product that contains a high priority chemical identified 11 under RCW 70A.430.040 or a priority chemical as defined in RCW 12 70A.350.010 or that is the subject of a rule adopted under chapter 13 70A.350 RCW; 14
  - (b) A description of any terms used in marketing, labels, or public-facing communications by the producer to describe elements of the environmental impact or sustainability of the producer's covered products including, but not limited to, terms such as "sustainable," "green," "low impact," or "environmentally friendly," and how the producer defines or measures such terms;
  - (c) A description of how each producer sells, gifts, or otherwise disposes of unwanted excess covered products that are not sold to consumers through retail sales, and the volume of such unwanted excess covered products disposed of during the most recent calendar year; and
  - (d) A description of the producer's current activities, initiatives, or targets related to reducing the fashion producer's environmental impacts.
    - (2) In addition to the requirements of subsection (1) of this section, beginning January 1, 2027, each fashion producer that has an annual worldwide gross income of the business that exceeds \$100,000,000 must disclose the following to the department:
  - (a) The environmental due diligence policies, processes, and outcomes of the fashion producer, including:
- 35 (i) Significant real or potential adverse environmental impacts associated with the fashion producer; 36
- (ii) The contents of any environmental sustainability reports 37 38 related to the fashion producer's operations;

p. 27 SHB 1420 1 (iii) Measurements of the amount and type of recycled content in 2 each covered product produced by the manufacturer; and

- (iv) Measurements of the greenhouse gas emissions associated with the fashion producer's covered products, including the methodology associated with such measurements; and
- (b) The working conditions of the fashion producer and direct suppliers of products for or inputs to the fashion producer.
- (3) For purposes of this section, the following definitions shall apply unless the context clearly indicates otherwise:
- (a) "Due diligence" means the process companies carry out to identify, prevent, mitigate, and account for how they address actual and potential adverse impacts in their own operations, their supply chain, and other business relationships, in the manner recommended in the organization for economic cooperation and development guidelines for multinational enterprises, the organization for economic cooperation and development due diligence guidance for responsible business conduct, and United Nations guiding principles of business and human rights, as those guidelines and guidance existed as of January 1, 2024.
- (b) "Gross income of the business" means the value proceeding or accruing by reason of the transaction of the business engaged in and includes gross proceeds of sales, compensation for the rendition of services, gains realized from trading in stocks, bonds, or other evidences of indebtedness, interest, discount, rents, royalties, fees, commissions, dividends, and other emoluments however designated, all without any deduction on account of the cost of tangible property sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses.
  - (c) "Working conditions" means the:
- (i) Average number of employees by employment type: Full time, part time, and temporary;
- (ii) Average hourly wage, including all nondiscretionary wages and bonuses, by hourly wage bands: \$15 or below, \$15.01 to \$20, \$20.01 to \$25, \$25.01 to \$30, \$30.01 to \$50, and \$50.01 or greater;
- 37 (iii) Average total number of employees enrolled in medical plans 38 provided by the employer;
- 39 (iv) Average total number of employees enrolled in dental plans 40 provided by the employer;

p. 28 SHB 1420

- 1 (v) Average total number of employees enrolled in retirement 2 plans provided by the employer; and
  - (vi) Total case incident rate for the prior calendar year.
- 4 (d) For the purpose of this subsection, "average" means the mean 5 value:
  - (i) For the two previous years; or

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- 7 (ii) If the business has been operational for less than two 8 years, since the business has been operational.
- 9 <u>NEW SECTION.</u> **Sec. 14.** (1)(a) The department must implement, 10 administer, and enforce this chapter. By December 31, 2027, the 11 department shall adopt rules as necessary to implement, administer, 12 and enforce this chapter.
  - (b) To the extent feasible, registration, recordkeeping, reporting, and other logistical requirements adopted by the department under this chapter must be harmonized with similar requirements applicable to producers in other jurisdictions.
  - (c) The rules adopted by the department must encourage recycling that minimizes generation of hazardous waste, generation of greenhouse gases, environmental impacts, environmental justice impacts, and public health impacts.
  - (2) (a) By October 1, 2026, the department must notify each registered producer responsibility organization of its estimated regulatory costs to implement the program, including full personnel costs, related to implementing and enforcing this chapter and the actual reasonable costs associated with adopting rules and other startup activities prior to plan submittal and approval.
  - (b) The producer responsibility organization must, on a schedule determined by the department, pay the department fees to cover the department's incurred costs. The fees must not exceed the department's actual and reasonable regulatory costs to implement and enforce this chapter.
- 32 (c) The department must deposit all moneys received from a 33 producer responsibility organization under this subsection in the 34 textile extended producer responsibility account created in section 35 18 of this act.
- 36 (3) The department may audit the producer responsibility 37 organization or an individual producer annually with respect to the 38 requirements of this chapter.

p. 29 SHB 1420

(4) (a) Within 12 months of the effective date of the rules adopted under this chapter, and on or before July 1st of each year thereafter, the department must post on its internet website a list of producers that are in compliance with this chapter. The department must list, as appropriate, the reported brands of covered products for each producer.

- (b) A producer that is not listed on the department's internet website under (a) of this subsection that demonstrates compliance with this chapter before the next list is posted by the department may either be added to the internet website or provided a certification letter from the department stating that the producer of a covered product is in compliance with this chapter. The department's list of compliant entities must be available on the department's website in a machine-readable format.
- (c) If the department determines that a producer is not in compliance with this chapter, the department must remove the producer, along with its brands and covered products, from the list of compliant producers posted on the department's website. The department must list on its internet website a producer, along with its brands and covered products, if the department subsequently determines that the producer is in compliance with this chapter.
- NEW SECTION. Sec. 15. (1)(a) The department may administratively impose a civil penalty of up to \$1,000 per violation per day on any producer who violates this chapter and up to \$10,000 per violation per day for the second and each subsequent violation.
  - (b) For a producer out of compliance with the requirements of this chapter, the department shall provide written notification and offer information. For the purposes of this section, written notification serves as notice of the violation. The department must issue at least one notice of violation by certified mail prior to assessing a penalty and the department may only impose a penalty on a producer that has not met the requirements of this chapter 60 days following the date the written notification of the violation was sent.
  - (2)(a) The department may administratively impose a civil penalty of up to \$10,000 per violation per day on any producer responsibility organization that violates this chapter and up to \$50,000 per violation per day for the second and each subsequent violation.

p. 30 SHB 1420

1 (b) The department may, in addition to assessing the penalties 2 provided in (a) of this subsection, take any combination of the 3 following actions:

- (i) Issue a corrective action order to a producer responsibility organization;
- (ii) Issue an order to a producer responsibility organization to provide for the continued implementation of the program in the absence of an approved plan;
- (iii) Revoke the producer responsibility organization's plan approval and require implementation of the contingency plan; or
- (iv) Require a producer responsibility organization to revise or resubmit a plan within a specified time frame.
- (c) Prior to taking an action described in this subsection, the department must provide the producer responsibility organization an opportunity to respond to or rebut the written finding upon which the action is predicated.
- (3)(a) The department may require a producer, producer responsibility organization, manufacturer, distributor, retailer, or importer to:
  - (i) Provide the department with reasonable and timely access, as determined by the department, to its facilities and operations, as necessary to determine compliance with this chapter; or
- 23 (ii) Require additional reporting to determine compliance with 24 this chapter.
  - (b) Records required by this chapter must be maintained and accessible for five years. All reports and records provided to the department under this chapter must be provided under penalty of perjury.
  - (4) A person may not sell or distribute in or into the state a covered product of a producer that is not participating in a producer responsibility organization or that is not in compliance with the requirements of this chapter or rules adopted under this chapter.
  - (a) The department shall serve, or send with delivery confirmation, a written warning explaining the violation to a person distributing or selling covered products of a producer that is not in compliance with this chapter.
  - (b) The department may assess a penalty on a person that continues to sell or distribute covered products of a producer that is in violation of this chapter 60 days after receipt of the written warning under this subsection. The amount of the penalty that the

p. 31 SHB 1420

- department may assess under this subsection is twice the value of the covered products sold in violation of this chapter or \$500, whichever is greater. The department must waive the penalty upon verification that the person has discontinued distribution or sales of the covered product within 30 days of the date the penalty is assessed.
  - (5) Any person who incurs a penalty or receives an order may appeal the penalty or order to the pollution control hearings board created in chapter 43.21B RCW.
- 9 (6) Penalties levied under this section must be deposited in the 10 model toxics control operating account created in RCW 70A.305.180.

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- NEW SECTION. Sec. 16. (1) Retailers, importers, distributors, and online marketplaces for covered products must monitor the department's internet website where compliant producers are posted under section 14(4) of this act, to determine if a producer, brand, or covered product is in compliance with this chapter for that producer of covered products.
  - (2) (a) Except as provided in (b) of this subsection, on and after the date a plan is approved by the department, a retailer, importer, distributor, or online marketplace is prohibited from introducing a covered product for use in the state unless the producer of the covered product is listed as in compliance for that brand and covered product.
- 23 (b) A retailer, importer, distributor, or online marketplace may 24 introduce a covered product:
  - (i) If the retailer, importer, distributor, or online marketplace has fulfilled the obligations for those covered products which the retailer, importer, distributor, or online marketplace sells, offers for sale, imports, or distributes;
- (ii) If, on the date the retailer or distributor sells or offers for sale the covered product in or into the state, the producer, brand, or covered product was listed as compliant on the department's internet website; and
- (iii) Any existing stock of a retailer or distributor before the initial list was posted by the department on the department's internet website.
- 36 (3) An online marketplace must annually do the following 37 consistent with rules adopted by the department:
- 38 (a) Notify the department and the producer responsibility 39 organization of all third-party sellers with sales of covered

p. 32 SHB 1420

- 1 products over \$1,000,000 sold on their online marketplace in the preceding year and provide all required information. If a third-party 2 seller does not have any sales in Washington during the preceding 3 year, then the online marketplace must not provide their information 4 to the department. The amount of the sales described in this 5 6 subsection includes only those transactions through the online 7 marketplace for which payment is processed by the online marketplace directly or through its payment processor; 8
- 9 (b) Provide all third-party sellers described in (a) of this subsection with the information requirements of law as provided by the producer responsibility organization consistent with the requirements of section 11 of this act.
- NEW SECTION. Sec. 17. A producer responsibility organization may not use funds collected for purposes of implementing a plan required under this chapter associated with:
  - (1) The payment of an administrative penalty levied;
  - (2) Administrative appeals of orders or penalties;

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- 18 (3) Litigation between the refrigerant stewardship organization 19 and the state;
  - (4) Compensation of a person whose position is primarily representing the refrigerant stewardship organization relative to the passage, defeat, approval, or modification of legislation that is being considered by a governmental entity; or
- (5) Paid advertisements related to encouraging the passage, defeat, approval, or modification of legislation that is being considered during an upcoming or current legislative session or was considered during the previous legislative session.
- 18. The textile extended producer 28 NEW SECTION. Sec. 29 responsibility account is created in the custody of the state 30 treasurer. All receipts received by the department under this chapter must be deposited in the account. Only the director of the department 31 or the director's designee may authorize expenditures from the 32 account. The account is subject to the allotment procedures under 33 34 chapter 43.88 RCW, but an appropriation is not required for expenditures. Expenditures from the account may be used by the 35 department only for implementing, administering, and enforcing the 36 37 requirements of this chapter.

p. 33 SHB 1420

- 1 Sec. 19. RCW 43.21B.110 and 2024 c 347 s 5, 2024 c 340 s 4, and 2024 c 339 s 16 are each reenacted and amended to read as follows:
- 3 (1) The hearings board shall only have jurisdiction to hear and decide appeals from the following decisions of the department, the director, local conservation districts, the air pollution control boards or authorities as established pursuant to chapter 70A.15 RCW, local health departments, the department of natural resources, the department of fish and wildlife, the parks and recreation commission, and authorized public entities described in chapter 79.100 RCW:
- (a) Civil penalties imposed pursuant to chapter 70A.230 RCW and 10 RCW 18.104.155, 70A.15.3160, 70A.300.090, 70A.20.050, 70A.230.020, 11 12 70A.205.280, 70A.355.070, 70A.430.070, 70A.500.260, 70A.505.100, 70A.505.110, 70A.530.040, 70A.350.070, 70A.515.060, 70A.245.040, 13 14 70A.245.050, 70A.245.070, 70A.245.080, 70A.245.130, 70A.245.140, 15 70A.65.200, 70A.455.090, 70A.550.030, 70A.555.110, 70A.560.020, 16 70A.565.030, section 15 of this act, 76.09.170, 77.55.440, 78.44.250, 17 88.46.090, 90.03.600, 90.46.270, 90.48.144, 90.56.310, 90.56.330, and 90.64.102. 18
- 19 (b) Orders issued pursuant to RCW 18.104.043, 18.104.060, 20 18.104.130, 43.27A.190, 70A.15.2520, 70A.15.3010, 70A.15.4530, 70A.15.6010, 70A.205.280, 70A.214.140, 70A.300.120, 70A.350.070, 22 70A.245.020, 70A.65.200, 70A.505.100, 70A.555.110, 70A.560.020, 70A.565.030, section 15 of this act, 86.16.020, 88.46.070, 90.03.665, 90.14.130, 90.46.250, 90.48.120, 90.48.240, 90.56.330, and 90.64.040.

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- (c) Except as provided in RCW 90.03.210(2), the issuance, modification, or termination of any permit, certificate, or license by the department or any air authority in the exercise of its jurisdiction, including the issuance or termination of a waste disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste disposal permit, a decision to approve or deny a solid waste management plan under RCW 70A.205.055, approval or denial of an application for a beneficial use determination under RCW 70A.205.260, an application for a change under RCW 90.03.383, or a permit to distribute reclaimed water under RCW 90.46.220.
- 36 (d) Decisions of local health departments regarding the granting 37 or denial of solid waste permits pursuant to chapter 70A.205 RCW, 38 including appeals by the department as provided in RCW 70A.205.130.

p. 34 SHB 1420

1 (e) Decisions of local health departments regarding the issuance 2 and enforcement of permits to use or dispose of biosolids under RCW 3 70A.226.090.

- (f) Decisions of the department regarding waste-derived fertilizer or micronutrient fertilizer under RCW 15.54.820.
- (g) Decisions of local conservation districts related to the denial of approval or denial of certification of a dairy nutrient management plan; conditions contained in a plan; application of any dairy nutrient management practices, standards, methods, and technologies to a particular dairy farm; and failure to adhere to the plan review and approval timelines in RCW 90.64.026 as provided in RCW 90.64.028.
- (h) Any other decision by the department or an air authority which pursuant to law must be decided as an adjudicative proceeding under chapter 34.05 RCW.
  - (i) Decisions of the department of natural resources, the department of fish and wildlife, and the department that are reviewable under chapter 76.09 RCW, and the department of natural resources' appeals of county, city, or town objections under RCW 76.09.050(7).
- 21 (j) Forest health hazard orders issued by the commissioner of 22 public lands under RCW 76.06.180.
  - (k) Decisions of the department of fish and wildlife to issue, deny, condition, or modify a hydraulic project approval permit under chapter 77.55 RCW, to issue a stop work order, to issue a notice to comply, to issue a civil penalty, or to issue a notice of intent to disapprove applications.
  - (1) Decisions of the department of natural resources that are reviewable under RCW 78.44.270.
  - (m) Decisions of an authorized public entity under RCW 79.100.010 to take temporary possession or custody of a vessel or to contest the amount of reimbursement owed that are reviewable by the hearings board under RCW 79.100.120.
  - (n) Decisions of the department of ecology that are appealable under RCW 70A.245.020 to set recycled minimum postconsumer content for covered products or to temporarily exclude types of covered products in plastic containers from minimum postconsumer recycled content requirements.
    - (o) Orders by the department of ecology under RCW 70A.455.080.

p. 35 SHB 1420

1 (2) The following hearings shall not be conducted by the hearings 2 board:

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- (a) Hearings required by law to be conducted by the shorelines hearings board pursuant to chapter 90.58 RCW, except where appeals to the pollution control hearings board and appeals to the shorelines hearings board have been consolidated pursuant to RCW 43.21B.340.
- 7 (b) Hearings conducted by the department pursuant to RCW 70A.15.3010, 70A.15.3070, 70A.15.3080, 70A.15.3090, 70A.15.3100, 9 70A.15.3110, and 90.44.180.
- 10 (c) Appeals of decisions by the department under RCW 90.03.110 and 90.44.220.
- 12 (d) Hearings conducted by the department to adopt, modify, or 13 repeal rules.
- 14 (3) Review of rules and regulations adopted by the hearings board 15 shall be subject to review in accordance with the provisions of the 16 administrative procedure act, chapter 34.05 RCW.
- 17 **Sec. 20.** RCW 43.21B.300 and 2024 c 347 s 6 and 2024 c 340 s 5 18 are each reenacted and amended to read as follows:
- (1) Any civil penalty provided in RCW 18.104.155, 70A.15.3160, 19 20 70A.205.280, 70A.230.080, 70A.300.090, 70A.20.050, 70A.245.040, 70A.245.050, 70A.245.070, 70A.245.080, 70A.245.130, 70A.245.140, 21 70A.65.200, 70A.430.070, 70A.455.090, 70A.500.260, 70A.505.110, 22 70A.555.110, 70A.560.020, <u>70A.565.030</u>, <u>section 15 of this act</u>, 23 24 86.16.081, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 90.56.310, 25 90.56.330, and 90.64.102 and chapter 70A.355 RCW shall be imposed by a notice in writing, either by certified mail with return receipt 26 27 requested or by personal service, to the person incurring the penalty from the department or the local air authority, describing the 28 violation with reasonable particularity. For penalties issued by 29 30 local air authorities, within 30 days after the notice is received, 31 the person incurring the penalty may apply in writing to the authority for the remission or mitigation of the penalty. Upon 32 receipt of the application, the authority may remit or mitigate the 33 penalty upon whatever terms the authority in its discretion deems 34 35 proper. The authority may ascertain the facts regarding all such applications in such reasonable manner and under such rules as it may 36 37 deem proper and shall remit or mitigate the penalty only upon a

demonstration of extraordinary circumstances such as the presence of

p. 36 SHB 1420

1 information or factors not considered in setting the original 2 penalty.

- (2) Any penalty imposed under this section may be appealed to the pollution control hearings board in accordance with this chapter if the appeal is filed with the hearings board and served on the department or authority 30 days after the date of receipt by the person penalized of the notice imposing the penalty or 30 days after the date of receipt of the notice of disposition by a local air authority of the application for relief from penalty.
  - (3) A penalty shall become due and payable on the later of:
  - (a) 30 days after receipt of the notice imposing the penalty;
- (b) 30 days after receipt of the notice of disposition by a local air authority on application for relief from penalty, if such an application is made; or
- (c) 30 days after receipt of the notice of decision of the hearings board if the penalty is appealed.
- (4) If the amount of any penalty is not paid to the department within 30 days after it becomes due and payable, the attorney general, upon request of the department, shall bring an action in the name of the state of Washington in the superior court of Thurston county, or of any county in which the violator does business, to recover the penalty. If the amount of the penalty is not paid to the authority within 30 days after it becomes due and payable, the authority may bring an action to recover the penalty in the superior court of the county of the authority's main office or of any county in which the violator does business. In these actions, the procedures and rules of evidence shall be the same as in an ordinary civil action.
- 29 (5) All penalties recovered shall be paid into the state treasury 30 and credited to the general fund except the following:
- 31 (a) Penalties imposed pursuant to RCW 18.104.155 must be credited 32 to the reclamation account as provided in RCW 18.104.155(7);
  - (b) Penalties imposed pursuant to RCW 70A.15.3160 must be disposed of pursuant to RCW 70A.15.3160;
- 35 (c) Penalties imposed pursuant to RCW 70A.230.080, 70A.300.090, 70A.430.070, 70A.555.110, 70A.560.020, and 70A.565.030 must be credited to the model toxics control operating account created in RCW 70A.305.180;

p. 37 SHB 1420

- 1 (d) Penalties imposed pursuant to RCW 70A.245.040 and 70A.245.050 2 must be credited to the recycling enhancement account created in RCW 3 70A.245.100;
- 4 (e) Penalties imposed pursuant to RCW 70A.500.260 must be deposited into the electronic products recycling account created in RCW 70A.500.130;
- 7 (f) Penalties imposed pursuant to RCW 70A.65.200 must be credited 8 to the climate investment account created in RCW 70A.65.250;
- 9 (g) Penalties imposed pursuant to RCW 90.56.330 must be credited 10 to the coastal protection fund established in RCW 90.48.390; and
- 11 (h) Penalties imposed pursuant to RCW 70A.355.070 must be 12 credited to the underground storage tank account created in RCW 13 70A.355.090.
- NEW SECTION. Sec. 21. Sections 1 through 18 of this act constitute a new chapter in Title 70A RCW.
- NEW SECTION. Sec. 22. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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p. 38 SHB 1420