

SESSION OF 2013

SUPPLEMENTAL NOTE ON SENATE BILL NO. 75

As Amended by Senate Committee on
Commerce

Brief*

SB 75, as amended, would prohibit a recycler from purchasing "plastic bulk merchandise containers" without first obtaining information about:

- The seller's proof of ownership;
- The seller's name, address, telephone number, and government identification number;
- A description of the containers, including the number to be sold; and
- The date of the transaction.

The bill also would provide two exemptions to this prohibition:

- The number of sold containers is less than five; or
- The containers, regardless of quantity, are deposited voluntarily by a resident or commercial entity for a recycling or refuse hauler to collect without receipt of payment to the customer.

Recyclers would not be permitted to pay for plastic bulk merchandise containers with cash, and they would be required to make a record of the payment method used.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Violation of the bill would result in a civil penalty not exceeding \$10,000 for each instance. Civil penalties obtained by the Attorney General would be deposited into the State General Fund, and penalties obtained by county or district attorneys would be deposited into the county's general fund.

The bill would define "plastic bulk merchandise container" to mean a plastic crate, pallet, or shell used by a product producer, distributor, or retailer for the bulk transportation or storage of retail containers of milk, eggs, bakery items, or bottled beverage products.

Background

Representatives of the Kansas Beverage Association, the Kansas Food Dealers Association, and the Retail Grocers Association of Greater Kansas City spoke in favor of the bill. Last year approximately 150,000 containers, valued at over \$4 million, were stolen from members of the Beverage Association, according to testimony.

Representatives of the Kansas Chapter of the National Solid Waste Management Association and Waste Management, Inc., spoke in opposition to the bill, stating it would be too cumbersome for haulers to know the origin of the recyclable materials.

The Senate Committee on Commerce amended the bill to:

- Provide an exemption for waste and refuse haulers; and
- Limit the civil penalty to not exceed \$10,000 per violation.

According to the fiscal note prepared by the Division of the Budget, in consultation with the Attorney General's Office,

the Office of Judicial Administration, and the Kansas Association of Counties, the bill, as introduced, would have a fiscal effect. The Attorney General's Office estimates prosecuting ten cases annually, at a cost range of \$10,000 to \$50,000. Assuming the maximum civil penalty, the Attorney General would collect \$100,000 annually. The Attorney General's Office notes the bill does not allow for the recovery of investigation costs. The Office of Judicial Administration notes there would be some fiscal effect on the Judicial Branch, but the amount cannot be determined at this time. Any fiscal effect associated with the bill is not reflected in *The FY 2014 Governor's Budget Report*.