

1 INTERIM STUDY PROPOSAL 2019-137

2 State of Arkansas

As Engrossed: H3/25/19 H4/2/19

3 92nd General Assembly

A Bill

4 Regular Session, 2019

HOUSE BILL 1771

5
6 By: Representatives V. Flowers, Clowney, D. Douglas, Glover, Murdock, Richardson, Scott, D. Whitaker

7 By: Senator G. Leding

8 Filed with: Arkansas Legislative Council
9 pursuant to A.C.A. §10-3-217.

10 For An Act To Be Entitled

11 AN ACT TO ESTABLISH THE ARKANSAS LITTER REDUCTION AND
12 DEPOSIT BEVERAGE CONTAINER RECYCLING ACT; TO REQUIRE
13 THE LABELING OF DEPOSIT BEVERAGE CONTAINERS SOLD IN
14 ARKANSAS; TO ESTABLISH THE DEPOSIT BEVERAGE CONTAINER
15 RECYCLING PROGRAM; AND FOR OTHER PURPOSES.
16
17

18 Subtitle

19 TO ESTABLISH THE ARKANSAS LITTER
20 REDUCTION AND DEPOSIT BEVERAGE CONTAINER
21 RECYCLING ACT; TO REQUIRE THE LABELING OF
22 DEPOSIT BEVERAGE CONTAINERS SOLD IN
23 ARKANSAS; TO ESTABLISH THE DEPOSIT
24 BEVERAGE CONTAINER RECYCLING PROGRAM.
25
26

27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

28
29 *SECTION 1. DO NOT CODIFY. Legislative findings and intent.*

30 *(a) The General Assembly finds that:*

31 *(1) The average Arkansan consumes beverages from seven hundred*
32 *thirty-nine (739) beverage containers per year;*

33 *(2) In 2015, Arkansas consumers threw away an estimated one*
34 *billion four hundred million (1,400,000,000) beverage containers;*

1 (3) A study conducted in Michigan found documentation of a
2 reduction in litter following the implementation of a deposit beverage
3 container program;

4 (4) According to the study, beverage container deposits were
5 tied to both a reduction in costs for litter cleanup and a reduction in
6 injuries to children caused by glass container litter;

7 (5) Studies also show a correlation between beverage container
8 deposits and reduced damages to farm operations by a reduction in livestock
9 injuries and in tractor tire damage caused by litter;

10 (6) Following implementation of a deposit beverage container
11 program, Michigan is estimated to have saved four million six hundred
12 thousand dollars (\$4,600,000) from injury prevention and reduced farm damage;

13 (7) Deposit beverage container programs play a critical role in
14 diverting waste from roadways, streams, and landfills;

15 (8) Deposit beverage container programs increase recycling and
16 reduce litter;

17 (9) Arkansas communities are currently expending money to
18 dispose of valuable materials in landfills, which a deposit beverage
19 container program could instead use to create an industry and positively
20 impact the economy;

21 (10) Landfills are a finite resource that take up valuable land;

22 (11) In Arkansas, some landfills take up over two hundred fifty
23 (250) acres of land;

24 (12) Litter and illegal dumping create problems throughout
25 Arkansas's rural areas and farm land;

26 (13) Arkansas spends an estimated five million dollars
27 (\$5,000,000) each year to collect and remove litter from highways;

28 (14) A deposit beverage container program would keep a projected
29 fifty-eight thousand (58,000) tons of materials out of Arkansas's landfills
30 each year, which would save both landfill space and valuable land used for
31 landfills;

32 (15) An estimated increase of eight hundred million
33 (800,000,000) beverage containers would be recycled with a deposit beverage
34 container program, which would require a more robust recycling infrastructure
35 in Arkansas and result in an increase in jobs;

36 (16) Recycling is largely inaccessible to rural Arkansans; and

1 (17) A deposit beverage container program in Arkansas would help
2 make rural recycling more available with the implementation of privately
3 owned certified redemption centers and would effectively incentivize
4 recycling.

5 (b) The General Assembly intends by this act to alleviate issues in
6 the state related to litter, illegal dumping, and associated environmental
7 problems by incentivizing and increasing recycling of deposit beverage
8 containers.

9
10 SECTION 2. Arkansas Code Title 8, Chapter 9, is amended to add an
11 additional subchapter to read as follows:

12 Subchapter 7 – Arkansas Litter Reduction and Deposit Beverage Container
13 Recycling Act

14
15 8-9-701. Title.

16 This subchapter shall be known and may be cited as the “Arkansas Litter
17 Reduction and Deposit Beverage Container Recycling Act”.

18
19 8-9-702. Definitions.

20 As used in this subchapter:

21 (1) “Administrative allowance” means an amount paid by the
22 Office of Sustainable Materials under § 8-9-721 to a certified redemption
23 center to defray the certified redemption center’s costs of complying with
24 the administrative requirements of the deposit beverage container recycling
25 program;

26 (2) “Cancel” means to crush, flatten, shred, or otherwise render
27 a deposit beverage container unfit for redemption;

28 (3) “Certified collector” means a transportation company that
29 has been certified by the office to collect and transport materials from each
30 certified redemption center and certified redemption center depot to a
31 certified processor;

32 (4) “Certified processor” means a facility, including without
33 limitation a scrap yard, manufacturer, material recovery facility, or similar
34 entity that is designed for the collection, processing, and sale or reuse of
35 secondary resources that would otherwise be disposed of as county or
36 municipal solid waste and that has been certified by the office to receive,

1 purchase, quantify, process, document, cancel, and reuse, or sell for reuse,
2 deposit beverage containers that have been redeemed by a certified redemption
3 center or certified redemption center depot;

4 (5) "Certified redemption center" means an entity that:

5 (A) Has an operation, including without limitation an
6 attended operation, automated operation, or mechanical device, that has been
7 certified by the office:

8 (i) To accept empty deposit beverage containers from
9 consumers;

10 (ii) To issue a refund by cash, printed check,
11 electronic refund, redeemable credit slip, or authorized donation with a
12 value not less than the empty deposit beverage container's refund value;

13 (iii) To sort and quantify the redeemed empty
14 deposit beverage containers for collection by a certified collector; and

15 (iv) To perform other responsibilities as required
16 under this subchapter; and

17 (B) May be owned or operated by a qualifying entity,
18 including without limitation:

19 (i) An individual;

20 (ii) A business, including without limitation a
21 grocery store or other retailer; or

22 (iii) A nonprofit agency, organization, or facility;

23 (6) "Certified redemption center depot" means an entity that has
24 been authorized by the Office of Sustainable Materials and the Division of
25 Environmental Quality to accept specified nondeposit recyclable materials;

26 (7)(A) "Consumer" means a person who purchases a deposit
27 beverage in a deposit beverage container for use or consumption and pays the
28 deposit under the deposit beverage container recycling program.

29 (B) "Consumer" includes an establishment for lodging,
30 eating, or drinking if beverages are generally consumed on the
31 establishment's premises.

32 (C) "Consumer" does not include a person who purchases a
33 deposit beverage from an establishment for on-premises consumption;

34 (8) "Dealer" means a person that engages in the sale of deposit
35 beverages in deposit beverage containers to a consumer for off-premises
36 consumption in this state;

1 (9)(A) "Deposit beverage" means:

2 (i) Beer, ale, or other drink produced by fermenting
3 malt, including without limitation flavored malt beverages, coolers, and
4 other malt-based beverages containing not more than fourteen percent (14%) of
5 alcohol by volume;

6 (ii) Nonalcoholic wine, beer, and ready-to-use
7 mixers such as margarita mix;

8 (iii) Carbonated soft drinks;

9 (iv) Carbonated and noncarbonated water, including
10 without limitation artificially and naturally flavored and sugared waters;

11 (v) Tea, kombucha, and coffee, including without
12 limitation lattes and other coffee drinks that contain milk;

13 (vi) Juices, including without limitation one
14 hundred percent (100%) juices, juice blends, coconut water, and drinking
15 vinegar;

16 (vii) Energy drinks and sports drinks;

17 (viii) Smoothies, protein shakes, and nutritional
18 supplements that are not marketed as a meal replacement;

19 (ix) Flavored malt beverages, coolers, and other
20 malt-based beverages containing not more than fourteen percent (14%) of
21 alcohol by volume; and

22 (x) Single-serve wine and hard cider.

23 (B) "Deposit beverage" does not include:

24 (i) Milk and other dairy-derived products that
25 consist only of dairy milk and flavorings or nutritional additives, including
26 without limitation chocolate milk, cultured milk such as kefir and
27 buttermilk, and lactose-free milk;

28 (ii) Plant-based milk, including without limitation
29 almond milk and coconut milk;

30 (iii) Wine and distilled liquor;

31 (iv) Hard cider and unprocessed cider that is
32 considered a wine;

33 (v) A liquid that is:

34 (a) A syrup;

35 (b) In a concentrated form; or

1 (c) Typically added as a minor flavoring
 2 ingredient in food or drink, such as extracts, cooking additives, sauces, or
 3 condiments;

4 (vi) A liquid that is a drug, medical food, or
 5 infant formula as defined by the Federal Food, Drug, and Cosmetic Act, 21
 6 U.S.C. § 301 et seq., as it existed on January 1, 2019;

7 (vii) A liquid that is designed, marketed, and
 8 consumed only as a dietary supplement or meal replacement and not as a
 9 beverage as defined by the Dietary Supplement Health and Education Act of
 10 1994, Pub. L. No. 103-417;

11 (viii) A product frozen at the time of sale to the
 12 consumer, or, in the case of an institutional consumer such as a hospital or
 13 nursing home, at the time of sale to the consumer;

14 (ix) A product designed to be consumed in a frozen
 15 state;

16 (x) Instant drink powder;

17 (xi) Soup or broth; or

18 (xii) Beverages bottled by a microbrewery-
 19 restaurant, small farm winery, or small brewery;

20 (10) "Deposit beverage container" means an individual, separate, and
 21 sealed container that is made of glass, aluminum, steel, or other metal, or
 22 polyethylene terephthalate plastic or high density polyethylene plastic,
 23 regardless of size, and used for containing a deposit beverage at the time of
 24 sale to the consumer if the container does not already carry a manufacturer's
 25 deposit;

26 (11)(A) "Deposit beverage distributor" means a person who
 27 engages in the sale of deposit beverages in deposit beverage containers to a
 28 dealer in this state, including without limitation a manufacturer who engages
 29 in these sales.

30 (B) "Deposit beverage distributor" includes without
 31 limitation a person who imports deposit beverages from outside of this state
 32 for sale to dealers or consumers in this state, and a federal agency and
 33 military distributors.

34 (C) "Deposit beverage distributor" does not include an
 35 airline and shipping company that merely transports deposit beverage
 36 containers;

1 (12) "Fiscal year" means July 1 of one year through June 30 of
2 the next year;

3 (13) "Fraudulent return" means an effort, whether or not
4 successful or deliberate, to receive a refund on a deposit beverage container
5 that does not meet the requirements for a refund under this subchapter,
6 including without limitation a container:

7 (A) Purchased in another state;

8 (B) Purchased in this state before April 1, 2022;

9 (C) On which the Arkansas five-cent indicia is not present
10 or cannot be detected;

11 (D) Redeemed previously; or

12 (E) Presented to be quantified by weight that has been
13 made artificially heavy by deliberate means;

14 (14) "Hard cider" means liquor brewed from the fermented juices
15 of fruit and containing more than three percent (3%) and not more than
16 twenty-one percent (21%) of alcohol by volume;

17 (15) "Import" means to buy, bring, or accept delivery of deposit
18 beverage containers from an address, supplier, or an entity outside of this
19 state;

20 (16) "Importer" means a person who buys, brings, or accepts
21 delivery of deposit beverage containers from outside the state for sale or
22 use within this state;

23 (17) "Microsite-certified redemption center" means a certified
24 redemption center or certified redemption center depot housed in a portable,
25 attended, roll-off trailer that is typically located adjacent to a hosting
26 grocery store or other entity;

27 (18) "On-premises consumption" means consumption of a deposit
28 beverage by a consumer immediately and within the area under control of the
29 establishment, including without limitation bars, restaurants, passenger
30 ships, and airplanes;

31 (19) "Overhead allowance" means an amount paid by the Office of
32 Sustainable Materials to a certified redemption center or certified
33 redemption center depot to defray operating costs according to § 8-9-720;

34 (20) "Overhead support fee" means an amount paid to the Office
35 of Sustainable Materials by a deposit beverage distributor to support the
36 payment of the overhead allowance according to § 8-9-705;

1 (21) "Person" means an individual, partnership, firm,
2 association, public or private corporation, federal agency, trust, estate,
3 department, agency, authority, or instrumentality of the state or its
4 political subdivisions, or other legal entity;

5 (22)(A) "Redemption rate" means the number of refunds paid out
6 by the Deposit Beverage Container Fund in a given period relative to the
7 number of deposits paid into the fund during the same period and expressed as
8 a percentage, with the numerator being the number of refunds paid out and the
9 denominator being the number of deposits paid in.

10 (B) "Redemption rate" includes refunds known to be, or
11 suspected to be, fraudulent returns;

12 (23) "Refillable beverage container" means a beverage container
13 that:

14 (A) Is intended to be returned intact to the manufacturer
15 or distributor to be washed, refilled, and resold;

16 (B) Is sold in a container that has a brand name
17 permanently marked on it; and

18 (C) Bears a manufacturer's refund value of at least five
19 cents (5¢);

20 (24) "Reverse vending machine" means a self-service certified
21 redemption center, typically located adjacent to a grocery store or similar
22 entity, that electronically scans empty deposit beverage containers, sorts
23 and cancels the empty deposit beverage containers, records the transaction
24 information, and issues a credit slip or other form of refund; and

25 (25) "Unprocessed cider" means liquor brewed from the fermented
26 juices of fruit and containing more than three percent (3%) and not more than
27 twenty-one percent (21%) of alcohol by volume.

28
29 8-9-703. Office of Sustainable Materials – Deposit beverage container
30 recycling program – Accounting services – Promotional materials.

31 (a) The Division of Environmental Quality shall create within the
32 division the Office of Sustainable Materials, with dedicated positions and
33 other expenses funded by the Deposit Beverage Container Fund.

34 (b) The division shall create a separate administrative entity to be
35 known as the "deposit beverage container recycling program", which shall be
36 funded by the Deposit Beverage Container Fund.

1 (c)(1) Accounting functions of the deposit beverage container
2 recycling program shall be performed by the office.

3 (2) The costs for the services under subdivision (c)(1) of this
4 section shall be paid for by the Deposit Beverage Container Fund.

5 (d)(1) The office, the deposit beverage container recycling program,
6 or a contracted third-party administrator may produce brochures, websites,
7 videos, or other promotional materials that the office determines to be
8 necessary to inform the public about the goals, operations, benefits, and
9 outcomes of the deposit beverage container recycling program.

10 (2) The costs for materials under subdivision (d)(1) of this
11 section shall be paid for by the Deposit Beverage Container Fund.

12
13 8-9-704. Registration of deposit beverage distributors.

14 (a) A person who desires to conduct business in this state as a
15 deposit beverage distributor shall register with the Associate Director of
16 the Office of Sustainable Materials no later than one (1) month before
17 commencement of business.

18 (b)(1) A deposit beverage distributor shall maintain records
19 reflecting the manufacture and import of beverages in deposit beverage
20 containers as well as in refillable beverage containers.

21 (2)(A) The records shall be made available, upon request, for
22 inspection by the office.

23 (B) If proprietary information is obtained by the office,
24 the proprietary information shall be kept confidential and shall not be
25 disclosed to another person, except:

26 (i) As may be reasonably required in an
27 administrative or judicial proceeding to enforce this subchapter or a rule
28 adopted under this subchapter; or

29 (ii) Under an order issued by a court or
30 administrative hearing officer.

31
32 8-9-705. Deposit beverage distributor – Deposit required.

33 (a)(1) A deposit beverage distributor shall pay to the Deposit
34 Beverage Container Fund a deposit fee on each deposit beverage container
35 manufactured in or imported into this state.

1 (2) The deposit fee shall appear as a separate line item on an
2 invoice or sales receipt.

3 (3) The deposit fee shall not be subject to state tax.

4 (b) The deposit fee shall be five cents (5¢).

5 (c) Payment of the deposit fee shall be made simultaneously with, and
6 according to the same procedure as, payment of the program charge as required
7 in § 8-9-707.

8
9 8-9-706. Deposit beverage distributor – Overhead support fee.

10 (a) A deposit beverage distributor shall pay to the Office of
11 Sustainable Materials an overhead support fee on each deposit beverage
12 container manufactured in or imported into this state.

13 (b) The overhead support fee shall be one cent (1¢).

14 (c) Payment of the overhead support fee shall be made simultaneously
15 with, and according to the same procedure as, payment of the program charge
16 as required in § 8-9-707.

17 (d) A payment under subsection (a) of this section shall be:

18 (1) Accompanied by an inventory report, in a manner and form
19 prescribed by the office, that identifies the number of beverages in deposit
20 beverage containers, by container size and type, manufactured in or imported
21 into the state during the reporting period;

22 (2) Made monthly and received no later than the fifteenth day of
23 the month following the end of the reporting period; and

24 (3) Made by check, money order, or electronic deposit to the
25 office.

26 (e) A local government shall not impose or collect an assessment or
27 fee on deposit beverage containers for the same or similar purpose that is
28 the subject of this subchapter.

29
30 8-9-707. Deposit beverage distributor – Program charge.

31 (a)(1) A deposit beverage distributor shall charge the dealer or
32 consumer a deposit equal to the program charge for each deposit beverage
33 container sold in this state.

34 (2) The program charge shall appear as a separate line item on
35 an invoice or sales receipt.

1 (3) The program charge, including the refund value and overhead
2 support fee, not to exceed six cents (6¢), shall not be subject to state tax.

3 (b)(1) A dealer shall charge the consumer at the point of sale a
4 program charge for each deposit beverage container sold in this state, except
5 on beverages intended for on-premises consumption.

6 (2) The program charge shall appear as a separate line item on a
7 sales receipt or invoice.

8 (3) The program charge shall not be subject to state tax.

9
10 8-9-708. Deposit beverage container – Arkansas refund value.

11 (a)(1) A deposit beverage container sold in this state shall have an
12 Arkansas refund value of five cents (5¢).

13 (2) The refund value is the amount of the deposit required.

14 (3) When a refund value has been applied to a deposit beverage
15 container, the deposit on the deposit beverage container shall not be charged
16 or collected more than one (1) time.

17 (b)(1) The refund value shall be clearly printed, embossed, stamped,
18 labeled, or otherwise marked on the deposit beverage container, along with
19 the word "Arkansas" or the letters "AR".

20 (2)(A) The names or letters representing other states with
21 comparable deposit legislation may also be included in the indication of
22 refund value.

23 (B) Other indicia may be required as specified by rule,
24 and in a form and manner prescribed by the Office of Sustainable Materials.

25 (c) A deposit beverage container shall have encoded within the
26 universal product code, or similar machine-readable indicia, information
27 regarding the size and type of deposit beverage container and the refund
28 value of the deposit beverage container in the states in which the deposit
29 beverage container is intended to be sold.

30 (d)(1) Inventory already in circulation on April 1, 2022, shall be
31 affixed or sold with an adhesive label bearing the refund value of the
32 container, the word "Arkansas" or the letters "AR", and a universal product
33 code bearing the redemption information.

34 (2) The adhesive label under subdivision (d)(1) of this section
35 shall be purchased from the office by a deposit beverage distributor, who
36 shall pay the deposit value of five cents (5¢) per label.

1 (e) This section does not apply to a refillable beverage container.

2
3 8-9-709. Arkansas Legislative Audit – Annual audits.

4 (a) Arkansas Legislative Audit shall conduct a management and
5 financial audit of the deposit beverage container recycling program for
6 fiscal years 2021-2022 and 2022-2023, and for each fiscal year thereafter
7 ending in an even-numbered year.

8 (b) Arkansas Legislative Audit shall submit the audit report,
9 including the amount of unredeemed refund value and recommendations, to the
10 General Assembly, the Division of Environmental Quality, and the Office of
11 Sustainable Materials on or before January 2 following the end of the
12 preceding reporting period.

13 (c) The costs incurred by Arkansas Legislative Audit for the audit
14 shall be reimbursed by the Deposit Beverage Container Fund.

15 (d) Arkansas Legislative Audit may contract the audit services of a
16 third party to conduct the audit.

17
18 8-9-710. Notice required.

19 A dealer shall post a clear and conspicuous sign at each public
20 entrance to the dealer’s place of business that specifies the names,
21 addresses, telephone numbers, and hours of operation of the closest certified
22 redemption centers.

23
24 8-9-711. Underserved area – Certified redemption centers and certified
25 redemption center depots.

26 (a)(1) The Office of Sustainable Materials shall promulgate by rule
27 the definition of an underserved area with regard to certified redemption
28 centers and certified redemption center depots.

29 (2) However, in determining the definition of an underserved
30 area with regard to certified redemption centers and certified redemption
31 center depots, the following shall be considered in addition to the factors
32 identified in a rule promulgated by the office:

33 (A) The population, population density, and population
34 distribution of the designated area;

35 (B) The outcome of consultation with the respective
36 counties and municipalities within the designated area; and

1 (C) The past performance of certified redemption centers
2 and certified redemption center depots.

3 (b) If an area is determined to be an underserved area according to
4 the definition under subsection (a) of this section, the office, with input
5 from the affected county or counties, shall use the office's best efforts to
6 see that a certified redemption center or certified redemption center depot
7 is established in the underserved area.

8 (c) If an area remains underserved in spite of efforts under
9 subsection (b) of this section, moneys from the Deposit Beverage Container
10 Fund may be used to identify, enlist, or contract with a vendor, operator, or
11 provider of certified redemption centers to ensure that a microsite-certified
12 redemption center or other certified redemption center or certified
13 redemption center depot is established in the underserved area.

14
15 8-9-712. Certified redemption center or certified redemption center
16 depot – Application to participate in deposit beverage container recycling
17 program.

18 (a) Before participating in the deposit beverage container recycling
19 program, a redemption center or redemption center depot wishing to operate in
20 this state shall be certified by the Office of Sustainable Materials
21 according to rules promulgated by the office.

22 (b) The rules under subsection (a) of this section shall require that
23 all information submitted to the office be under penalty of perjury.

24 (c) Applications for certification shall be filed with the office in a
25 form and manner prescribed by the office.

26 (d) A person shall not be prohibited from applying for certification
27 to operate a certified redemption center or certified redemption center
28 depot, but the office shall encourage and assist nonprofit entities wishing
29 to apply.

30 (e) The office shall establish criteria to determine the minimum and
31 optimum number of certified redemption centers or certified redemption center
32 depots needed to adequately serve each county, based on population density,
33 population distribution, consultation with the respective counties, and other
34 factors.

35 (f) The office shall use the criteria under subsection (e) of this
36 section in issuing certifications.

1 (g)(1) At any time the office may review the certification of a
2 certified redemption center or certified redemption center depot.

3 (2) After written notice to the person responsible for the
4 establishment and operation of the certified redemption center or certified
5 redemption center depot, the office, after it has afforded the certified
6 redemption center or depot operator a hearing, may withdraw the certification
7 of the certified redemption center or certified redemption center depot if
8 the office finds that there has not been compliance with applicable laws,
9 rules, permit conditions, or certification requirements.

10
11 8-9-713. Certified redemption center or certified redemption center
12 depot – Requirements – Payment.

13 (a) A certified redemption center and certified redemption center
14 depot shall:

15 (1) Accept all types of empty deposit beverage containers on
16 which an Arkansas deposit has been paid;

17 (2) Accept deposit beverage containers from the public a minimum
18 number of hours or days per week according to rules promulgated by the Office
19 of Sustainable Materials;

20 (3) Maintain redemption areas in full compliance with applicable
21 laws and according to orders and rules promulgated by the office, including
22 without limitation permitting and certification requirements and uniform
23 signage and other design guidelines;

24 (4) Take reasonable actions to identify and prevent payment of a
25 refund value for a deposit beverage container or other product on which an
26 Arkansas deposit has not been paid, including deposit beverage containers or
27 other products that the certified redemption center or certified redemption
28 center depot knows, or should know, have been brought into this state from
29 another state;

30 (5) Determine the quantities of deposit beverage containers by
31 manual count, electronic scan, weight, or other method authorized by the
32 office, and in a form and manner prescribed by the office;

33 (6) Pay to the consumer, or to a nonprofit entity or other
34 recipient designated or intended by the consumer, an amount not less than the
35 established refund value for all valid deposit beverage containers;

1 (7) Maintain an electronic log of consumer transactions,
2 including without limitation amounts of refunds donated to nonprofit
3 entities, in a form and manner prescribed by the office;

4 (8) Sort, consolidate, and, if authorized by the office, cancel
5 the redeemed deposit beverage containers according to rules promulgated by
6 the office;

7 (9) Take reasonable precautions to ensure that redeemed deposit
8 beverage containers are placed in a secure area while awaiting collection by
9 a certified collector;

10 (10) Ensure that all redeemed deposit beverage containers are
11 received by a certified collector;

12 (11) Provide to the certified collector a shipping report, in a
13 form and manner prescribed by the office, that includes without limitation:

14 (A) Quantities of each deposit beverage container type by
15 unit or by weight;

16 (B) Quantification method, whether manual count,
17 electronic scan, weight, volume, or a combination of manual count, electronic
18 scan, weight, or volume;

19 (C) Refund values paid;

20 (D) Weight tickets, if applicable; and

21 (E) Printouts of electronic transaction logs, if
22 requested; and

23 (12)(A) Prepare, maintain, and provide to the office upon
24 request all records and documentation of redemption activity, including
25 without limitation consumer transaction logs, shipping reports, weight
26 tickets, transaction receipts received from certified collectors, amounts of
27 refunds or other benefits donated to charities, and documents authorizing the
28 canceling of redeemed deposit beverage containers.

29 (B) If a certified redemption center is a certified
30 redemption center depot, the records and documentation made available shall
31 include types and quantities of nondeposit recyclables collected, and the
32 name of each certified collector receiving the materials.

33 (b) A certified redemption center or certified redemption center depot
34 that wishes to cancel redeemed deposit beverage containers as part of its
35 handling procedures shall apply for and receive authorization to do so from

1 the office and shall perform and document the cancellations in a form and
2 manner prescribed by the office.

3 (c) A certified redemption center depot shall, before accepting
4 nondeposit recyclable material, enter into a written agreement with the
5 appropriate receiving entity or entities, stipulating prescribed collection,
6 handling, labeling, storage, documentation, transfer, transportation, and
7 other requirements, and stipulating the terms of payment, if any, to be made
8 by the receiving entity or entities to the certified redemption center depot.

9 (d) In order to be certified as a certified redemption center depot, a
10 certified redemption center shall:

11 (1) Comply with all applicable requirements and rules for each
12 type of nondeposit recyclable material accepted;

13 (2) Meet minimum requirements for property size, access,
14 storage, and other criteria for each type of nondeposit recyclable material
15 authorized for acceptance, according to rules promulgated by the office;

16 (3) Accept nondeposit recyclable materials during operating
17 hours only; and

18 (4) Accept nondeposit glass containers, including without
19 limitation deposit beverage containers from other states, deposit beverage
20 containers on which no Arkansas deposit was paid, and deposit beverage
21 containers not bearing the Arkansas five-cent indicia.

22 (e)(1) Every certified redemption center or certified redemption
23 center depot in the state shall:

24 (A) Be owned or operated by a charity, community
25 organization, social service agency, or other nonprofit entity operating in
26 Arkansas; or

27 (B) Maintain an ongoing beneficial relationship with at
28 least one (1) entity listed in subdivision (e)(1)(A) of this section.

29 (2)(A) As used in subdivision (e)(1) of this section, "ongoing
30 beneficial relationship" shall be determined by the office but shall include
31 such measures as hosting bottle drives or maintaining a donation bin with
32 proceeds earmarked for the nonprofit entity.

33 (B) The method for verifying that the requirement under
34 subdivision (e)(2)(A) of this section is met shall be determined by the
35 office.

36 (f) The office shall:

1 (1)(A) Issue payment to certified redemption centers in the sum
2 of the following:

3 (i) The collective refund values of the redeemed
4 deposit beverage containers received at the certified redemption center or
5 certified redemption center depot;

6 (ii) The overhead allowance due under § 8-9-721; and

7 (iii) Payment for the deposit beverage redemption
8 cost incurred.

9 (B) Payment shall be made to the certified redemption
10 center or certified redemption center depot within ten (10) business days
11 unless a significant discrepancy exists pursuant to § 8-9-720(c)(3), in which
12 case payment may be withheld pending the outcome of an investigation by the
13 office;

14 (2) Provide to the certified redemption center or certified
15 redemption center depot a transaction receipt, prepared in a form and manner
16 prescribed by the office and including, at a minimum, the following
17 information:

18 (A) The unit quantities, by deposit beverage container
19 type and collectively, of deposit beverage containers managed by the
20 certified redemption center or certified redemption center depot, and whether
21 quantities were determined by manual count, electronic scan, volume, weight,
22 or a combination of manual count, electronic scan, volume, and weight;

23 (B) The weight, by deposit beverage container type and
24 collectively, of deposit beverage containers managed by the certified
25 redemption center or certified redemption center depot;

26 (C) The amounts paid in refund values by the certified
27 redemption center or certified redemption center depot, by deposit beverage
28 container type and collectively; and

29 (D) The amount paid as overhead allowance to the certified
30 redemption center or certified redemption center depot;

31 (3) Submit to the office, in a form and manner prescribed by the
32 office, an invoice for reimbursement of refund values, overhead allowances,
33 and payment of administrative allowances due; and

34 (4)(A) For a refillable beverage container received, reimburse
35 the manufacturer's refund value to the certified redemption center or
36 certified redemption center depot and ensure that the refillable beverage

1 container is conveyed to the originating refillable beverage distributor or
2 sold to a purchaser.

3 (B) The certified redemption center may negotiate a
4 reasonable fee with the originating deposit beverage distributor or purchaser
5 to cover the cost of accepting and handling the refillable beverage
6 containers.

7
8 8-9-714. Certified redemption center or certified redemption center
9 depot – Refillable beverage containers.

10 A certified redemption center or certified redemption center depot that
11 wishes to accept refillable beverage containers from consumers shall:

12 (1) Pay to the consumer the manufacturer’s refund value for the
13 refillable beverage container;

14 (2) Record the transaction in the consumer transaction log; and

15 (3)(A) Ensure that the refillable beverage container is received
16 by a certified processor or the originating deposit beverage distributor, who
17 shall reimburse the manufacturer’s refund value to the certified redemption
18 center or certified redemption center depot.

19 (B) The certified redemption center or certified
20 redemption center depot may negotiate with the receiving entity a reasonable
21 fee to cover the cost of accepting and handling refillable beverage
22 containers.

23
24 8-9-715. Certified redemption center or certified redemption center
25 depot – Nondeposit glass containers.

26 (a) A certified redemption center that wishes to accept nondeposit
27 glass containers or other items on a list of specified nondeposit recyclable
28 materials as a convenience to consumers, as an additional source of revenue,
29 or to advance the solid waste management goals of the state or the Division
30 of Environmental Quality, may apply to the Office of Sustainable Materials to
31 be certified as a certified redemption center depot.

32 (b) The list of specified nondeposit recyclable materials shall be
33 determined by the office and may be updated as often as needed.

34 (c)(1) A nondeposit recyclable material, including without limitation
35 glass beverage containers on which no Arkansas deposit was paid, is not
36 eligible for a refund under this subchapter.

1 (2) However, a certified redemption center depot may pay
2 consumers an amount reflecting all or some of the nondeposit recyclable
3 material's market value.

4
5 8-9-716. Certified collector.

6 (a)(1) Before participating in the deposit beverage container
7 recycling program, a collector shall be certified by and registered with the
8 Office of Sustainable Materials according to rules established by the office.

9 (2) The rules under subdivision (a)(1) of this section shall
10 require that all information submitted to the office be under penalty of
11 perjury.

12 (3) An application for certification and an application for
13 registration shall be filed with the office, in a form and manner prescribed
14 by the Associate Director of the Office of Sustainable Materials.

15 (b)(1) At any time the office may review the certification of a
16 certified collector.

17 (2) After written notice to the person of record responsible for
18 the establishment and operation of the certified collector, the office, after
19 the office has afforded the certified collector a hearing, may withdraw the
20 certification of the certified collector if the office finds that there has
21 not been compliance with applicable laws, rules, permit conditions, or
22 certification requirements.

23 (c) The office shall award a contract to a certified collector to
24 collect materials from a certified redemption center and a certified
25 redemption depot and deliver to a certified processor in accordance with the
26 Arkansas Procurement Law, § 19-11-201 et seq.

27 (d) A certified collector shall be paid by the mile, at a rate
28 determined by the office, to collect materials from a certified redemption
29 center and a certified redemption depot and deliver to a certified processor.

30
31 8-9-717. Reports – Municipal or county governments.

32 The type and tonnage of material collected by a certified redemption
33 center or certified redemption center depot and subsequently recycled shall
34 be reported and credited to the municipal or county government where the
35 certified redemption center or certified redemption center depot is located,

1 for purposes of calculating solid waste diversion amounts and meeting
2 regional solid waste reduction goals.

3
4 8-9-718. Reverse vending machine.

5 A reverse vending machine may be used to satisfy the requirements of §
6 8-9-713 if the reverse vending machine:

7 (1) Accepts all types of empty deposit beverage containers that
8 bear a valid Arkansas refund value;

9 (2) Is routinely serviced to ensure proper operation and
10 continuous acceptance of deposit beverage containers and payment of refunds;

11 (3) Is monitored during operating hours by an attendant who is
12 authorized to issue refunds should the reverse vending machine fail to
13 accept, recognize, or process a valid Arkansas deposit beverage container;
14 and

15 (4) Displays a toll-free telephone number and a website or
16 mailing address that a consumer may contact should an attendant be unable to
17 provide assistance.

18
19 8-9-719. Refusal to pay refund value.

20 A certified redemption center or certified redemption center depot may
21 refuse to pay the refund value on a deposit beverage container that:

22 (1) Does not properly indicate an Arkansas refund value;

23 (2) Is broken, corroded, dismembered, or flattened;

24 (3) Contains more than trace amounts of liquid; or

25 (4) Contains a significant amount of foreign material.

26
27 8-9-720. Processor – Certification and registration.

28 (a)(1) Before participating in the deposit beverage container
29 recycling program, a processor shall be certified by and registered with the
30 Office of Sustainable Materials according to rules established by the office.

31 (2) The rules under subdivision (a)(1) of this section shall
32 require that all information submitted to the office be under penalty of
33 perjury.

34 (3) An application for certification shall be filed with the
35 office, in a form and manner prescribed by the Associate Director of the
36 Office of Sustainable Materials.

1 (4) An application for registration shall be filed with the
2 office, in a form and manner prescribed by the associate director.

3 (b)(1) At any time the office may review the certification of a
4 certified processor.

5 (2) After written notice to the person of record responsible for
6 the establishment and operation of the certified processor, the office, after
7 the office has afforded the certified processor operator a hearing, may
8 withdraw the certification of the certified processor if the office finds
9 that there has not been compliance with applicable laws, rules, permit
10 conditions, or certification requirements.

11 (c) A certified processor shall:

12 (1)(A) Accept from a certified redemption center or certified
13 redemption center depot deposit beverage containers that have been redeemed,
14 quantified, sorted, and, if applicable, canceled according to deposit
15 beverage container recycling program rules and that are accompanied by a
16 shipping report prepared by the certified redemption center or certified
17 redemption center depot according to deposit beverage container recycling
18 program rules.

19 (B) A certified processor shall accept all types of
20 deposit beverage containers from a certified redemption center or certified
21 redemption center depot being serviced unless arrangements have been made for
22 another receiving entity to receive a particular deposit beverage container
23 type, such as glass, from that certified redemption center or certified
24 redemption center depot;

25 (2) Perform a random sampling or samplings, in a form and manner
26 prescribed by the office, of the redeemed deposit beverage containers to
27 ascertain that they were eligible for redemption;

28 (3)(A) Independently determine quantities of each type of
29 deposit beverage container, either by manual count, electronic scan, volume,
30 weight, or a combination of these methods, according to standards, averages,
31 and rules prescribed by the office, and document the quantities in a form and
32 manner prescribed by the office.

33 (B) If a significant discrepancy exists between the
34 quantities determined by the certified processor and the quantities stated on
35 the shipping report prepared by the certified redemption center or certified
36 redemption center depot, or if a random sampling of redeemed deposit beverage

1 containers shows a significant proportion of deposit beverage containers that
2 were not eligible for redemption, the certified processor shall notify the
3 office for further investigation by the office, according to procedures
4 prescribed by the office.

5 (C)(i) The office shall establish by rule what constitutes
6 a significant discrepancy and significant proportion.

7 (ii) However, in establishing what constitutes a
8 significant discrepancy and significant proportion, the office shall consider
9 the following in addition to the factors identified by the office:

10 (a) The amount of deposit beverage containers
11 that have been redeemed, quantified, sorted, and canceled by the certified
12 redemption center or certified redemption center depot; and

13 (b) The past performance of the certified
14 redemption center, certified redemption center depot, or certified processor;

15 (4) Cancel the redeemed deposit beverage containers, if they
16 have not already been canceled;

17 (5)(A)(i) Process the deposit beverage containers as needed for
18 remanufacturing or for sale to or receipt by a manufacturer, secondary
19 certified processor, or other end user.

20 (ii) If, after making a good-faith effort, a certified
21 processor is unable to locate a purchaser or recipient of a specific deposit
22 beverage container material, the certified processor may apply to the office
23 for permission to dispose of the deposit beverage container material in a
24 form and manner prescribed by the office, with reasonable disposal costs to
25 be reimbursed by the deposit beverage container recycling program.

26 (B)(i) The office shall establish by rule what constitutes
27 a good-faith effort and reasonable disposal costs relative to this section.

28 (ii) The office shall consider past conduct and
29 performance when establishing what constitutes a good-faith effort and
30 reasonable disposal costs under this section;

31 (6)(A) Maintain a copy of documentation, including without
32 limitation shipping reports, weight tickets, and transaction receipts.

33 (B) Documents under subdivision (c)(6)(A) of this section
34 shall be made available, upon request, to the office; and

1 (7) Report to the office on the type and tonnage of material
2 collected and subsequently recycled for purposes of calculating solid waste
3 diversion amounts and meeting regional solid waste reduction goals.

4 (d) Certified processors may create or make use of a collection
5 service that picks up redeemed deposit beverage containers or refillable
6 beverage containers from certified redemption centers or certified redemption
7 center depots and transports them to a certified processor.

8
9 8-9-721. Overhead allowance.

10 (a) The Office of Sustainable Materials shall pay to a certified
11 redemption center or certified redemption center depot, by agency of a
12 certified processor under § 8-9-720, an overhead allowance for each
13 transaction conducted according to rules established by the office.

14 (b) The overhead allowance shall be the total of an amount not to
15 exceed one and six tenths of a cent (1.6¢) multiplied by the number of
16 deposit beverage containers received in the transaction, as reported to the
17 office in the certified redemption center's invoice under § 8-9-722, and
18 shall remain at that level until changed by the General Assembly.

19 (c) The overhead allowance shall be paid out of the Deposit Beverage
20 Container Fund.

21
22 8-9-722. Certified redemption center – Invoice requirements.

23 (a) For every completed transaction with a certified redemption center
24 or certified redemption center depot, a certified redemption center or
25 certified redemption center depot shall submit to the Office of Sustainable
26 Materials an invoice for an amount equal to the sum of all of the following:

27 (1) The total amount of refund values paid by the certified
28 redemption center or certified redemption center depot under § 8-9-713; and

29 (2) The overhead allowance to be paid to the certified
30 redemption center or certified redemption center depot under § 8-9-721.

31 (b) The certified redemption center or certified redemption center
32 depot's invoice shall be accompanied by supporting documentation that shall
33 include without limitation:

34 (1) A copy of the transaction receipt prepared by the certified
35 redemption center or certified redemption center depot;

1 (2) A copy of the shipping report prepared by the certified
2 redemption center or certified redemption center depot; and

3 (3) When applicable, a printout of electronic transaction logs.

4 (c) The office shall issue payment to the certified processor within
5 ten (10) business days after receipt of a properly submitted invoice unless a
6 discrepancy exists under § 8-9-713(f)(1)(B), in which case payment may be
7 withheld pending investigation by the office according to procedures
8 prescribed by the office.

9 (d) The office shall make all reports created by or provided to the
10 office available online.

11
12 8-9-723. Inspections.

13 Deposit beverage distributors, certified redemption centers and
14 certified redemption center depots, and certified processors shall, upon
15 request and under penalty of perjury, make their records available for
16 inspection by the Office of Sustainable Materials, the Treasurer of State, or
17 an auditor of the Treasurer of State.

18
19 8-9-724. Reports – Deposit beverage container recycling program.

20 (a) The Office of Sustainable Materials shall compile a report on the
21 deposit beverage container recycling program for each fiscal year.

22 (b)(1) The report required under subsection (a) of this section shall
23 be delivered to the General Assembly and the Governor on January 2 following
24 the end of the preceding reporting period.

25 (2) Reports shall include without limitation:

26 (A) Performance indicators;

27 (B) Revenues and expenditures;

28 (C) Measures of effectiveness, including without
29 limitation redemption rates and impacts on litter;

30 (D) Measures of access and convenience, including without
31 limitation numbers, types, locations, and distribution of certified
32 redemption centers, and efforts and expenditures to ensure that certified
33 redemption centers are established in areas defined as underserved areas
34 under § 8-9-711;

35 (E) Measures of benefits to nonprofit organizations,
36 including without limitation the amount of donated refunds; and

1 (F) Economic impacts, including without limitation the
2 number of jobs supported or created, and tonnage, market value, and end uses
3 of recovered materials.

4
5 8-9-725. Advisory committee.

6 (a) The Office of Sustainable Materials shall convene an advisory
7 committee to make recommendations to the office in developing rules needed to
8 implement this subchapter and to advise the deposit beverage container
9 recycling program.

10 (b) The Associate Director of the Office of Sustainable Materials
11 shall select members of the advisory committee so as to obtain input from
12 state agencies, as well as from representatives of the following:

- 13 (1) Bottlers;
- 14 (2) Consumers;
- 15 (3) Counties, including without limitation county sheriffs'
16 departments;
- 17 (4) Dealers;
- 18 (5) Deposit beverage distributors;
- 19 (6) Importers;
- 20 (7) The Keep Arkansas Beautiful Commission;
- 21 (8) Manufacturers and end users;
- 22 (9) Municipalities;
- 23 (10) Nonprofit organizations;
- 24 (11) Recyclers, including without limitation scrap dealers and
25 providers of curbside recycling;
- 26 (12) Certified redemption centers and certified redemption
27 center depots;
- 28 (13) Redemption service providers;
- 29 (14) Solid waste professionals; or
- 30 (15) Others as recommended by the associate director.

31 (c)(1) Members of the advisory committee shall serve at the associate
32 director's pleasure.

33 (2) A majority of the advisory committee members shall
34 constitute a quorum for the purposes of recommending rules and providing
35 input to the associate director.

1 (d) The office shall make all advisory committee meeting notices,
2 minutes, reports, meeting recordings, and related documents of the advisory
3 committee available online.

4
5 8-9-726. Violations.

6 (a) Except as provided in § 8-9-727, a person that violates this
7 subchapter or a rule adopted under this subchapter shall be assessed a civil
8 penalty of not more than ten thousand dollars (\$10,000) for each separate
9 offense.

10 (b) The civil penalty described in subsection (a) of this section
11 shall be assessed by the Associate Director of the Office of Sustainable
12 Materials pursuant to § 8-9-727.

13 (c) Each day of each violation shall constitute a separate offense.

14 (d) Any action taken to impose or collect the civil penalty provided
15 for in this section shall be made through administrative or civil actions.

16
17 8-9-727. Penalties.

18 (a) If the Associate Director of the Office of Sustainable Materials
19 determines that a person has violated or is violating this subchapter, a rule
20 adopted under this subchapter, or a term or condition of a certification or
21 permit issued under this subchapter, the associate director may do one (1) or
22 more of the following:

23 (1) Issue a field citation assessing a civil penalty and
24 ordering corrective action immediately or within a specified time;

25 (2) Issue an order assessing a civil penalty for a past or
26 current violation;

27 (3) Require compliance immediately or within a specified time;

28 or

29 (4) Commence a civil action in Pulaski County Circuit Court, to
30 seek appropriate relief, including without limitation a temporary,
31 preliminary, or permanent injunction against violations of this subchapter,
32 the imposition and collection of civil penalties, or other relief.

33 (b) An order issued under this section may include a suspension,
34 modification, or revocation of a certification or permit issued under this
35 subchapter and shall state with reasonable specificity the nature of the
36 violation.

1 (c)(1) An order issued under this subchapter shall become final unless
2 the person named in the order requests in writing a hearing before the Office
3 of Sustainable Materials no later than twenty (20) days after the notice of
4 order is served.

5 (2) A civil penalty imposed under this subchapter shall become
6 due and payable twenty (20) days after the notice of the civil penalty is
7 served unless the person named in the order requests in writing a hearing
8 before the office.

9 (3) Whenever a hearing is requested on a civil penalty imposed
10 under this subchapter, the civil penalty shall become due and payable upon
11 the issuance of a final order confirming the civil penalty in whole or in
12 part.

13 (d) If, after a hearing held under this section, the office finds that
14 a violation or violations have occurred, the office shall:

15 (1) Affirm or modify a civil penalty imposed or modify or affirm
16 the order previously issued; or

17 (2) Issue an appropriate order or orders for the prevention or
18 control of the violation involved, or for the taking of other corrective
19 action as may be appropriate.

20 (e)(1) If, after a hearing on an order or civil penalty contained in a
21 notice, the office finds that no violation has occurred or is occurring, the
22 office shall rescind the order or civil penalty.

23 (2) An order issued after a hearing may prescribe the date or
24 dates by which the violation or violations shall cease and may prescribe
25 timetables for necessary action in preventing, abating, or controlling the
26 violation.

27 (f)(1) If the amount of a civil penalty is not paid to the office
28 within thirty (30) days after an order becomes final, the associate director
29 may institute a civil action in the name of the state to collect the final
30 civil penalty amount.

31 (2) In a proceeding to collect the civil penalty imposed, the
32 office shall show that:

33 (A) Notice was given;

34 (B) A hearing was held or the time granted for requesting
35 a hearing expired without a request for a hearing;

36 (C) The civil penalty was imposed; and

1 (D) The civil penalty remains unpaid.

2 (g) In connection with a hearing held under this section, the office
3 shall have the power to subpoena the attendance of witnesses and the
4 production of evidence on behalf of all parties.

5
6 8-9-728. Application.

7 (a) The obligation to accept empty deposit beverage containers and pay
8 the refund value as described in this subchapter applies only to deposit
9 beverage containers originally sold in this state as filled deposit beverage
10 containers.

11 (b)(1) It is a violation of this subchapter for a person to tender or
12 attempt to tender to a certified redemption center or certified redemption
13 center depot during a single transaction more than twenty-four (24) empty
14 deposit beverage containers that the person knows or has reason to know were
15 not originally sold in Arkansas as filled deposit beverage containers.

16 (2) A violation of subdivision (b)(1) of this section may be
17 punishable by a fine as provided in subsection (d) of this section.

18 (c) Certified redemption centers and certified redemption center
19 depots must conspicuously display a sign in letters that are at least one
20 inch (1") in height with the following information:

21 "WARNING: Persons tendering containers for redemption that were not
22 originally purchased in Arkansas may be subject to a fine of the greater of
23 one hundred dollars (\$100) per container or twenty-five thousand dollars
24 (\$25,000) for each tender."

25 (d) A person who violates this section is subject to a fine of up to
26 the greater of one hundred dollars (\$100) for each container or twenty-five
27 thousand dollars (\$25,000) for each tender of more than twenty-four (24)
28 containers.

29 (e) The balance of each fine collected under this section, after
30 deducting court costs, shall be deposited into the Deposit Beverage Container
31 Fund and shall remain in the fund to be expended for activities authorized by
32 this subchapter, with the exception that if the violation was detected and
33 reported by a certified redemption center or certified redemption center
34 depot or a certified processor, then the fine shall be disposed of as
35 follows:

1 (1) Fifty percent (50%) of the fine shall remain in the fund to
2 be expended for activities authorized by this subchapter; and

3 (2) Fifty percent (50%) of the fine shall be awarded to the
4 certified redemption center or certified redemption center depot or the
5 certified processor that reported the violation, as an incentive to be
6 vigilant for and responsive to illegal tenders or attempts to otherwise
7 defraud the deposit beverage container recycling program through fraudulent
8 returns.

9
10 8-9-729. Rules.

11 Unless otherwise provided in this subchapter, the Office of Sustainable
12 Materials shall promulgate rules to carry out this subchapter.

13
14 SECTION 3. Arkansas Code § 19-6-301, concerning special revenues, is
15 amended to add an additional subdivision to read as follows:

16 (273) Fees collected under the Arkansas Litter Reduction and
17 Deposit Beverage Container Recycling Act, § 8-9-701 et seq.

18
19 SECTION 4. Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended
20 to add an additional section to read as follows:

21 19-6-843. Deposit Beverage Container Fund.

22 (a) There is created on the books of the Treasurer of State, the
23 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
24 fund to be known as the "Deposit Beverage Container Fund".

25 (b) The fund shall consist of:

26 (1) The special revenues collected under §§ 8-9-705 – 8-9-708,
27 to be deposited by the Office of Sustainable Materials into the State
28 Treasury to the credit of the fund;

29 (2) Monetary civil penalties assessed and collected under the
30 Arkansas Litter Reduction and Deposit Beverage Container Recycling Act, § 8-
31 9-701 et seq.;

32 (3) United States Government moneys designated for deposit into
33 the fund;

34 (4) A gift or donation to the fund; and

35 (5) Interest, earnings, and other revenues as may be authorized
36 by law.

1 (c) The fund shall be administered by the office, which shall
2 authorize distributions and administrative expenditures from the fund to:

3 (1) Reimburse refund values for deposit beverage containers
4 redeemed by certified redemption centers and certified redemption center
5 depots under § 8-9-713;

6 (2) Pay overhead allowances to certified redemption centers and
7 certified redemption center depots under § 8-9-721;

8 (3) Pay certified redemption centers or certified redemption
9 center depots their share of fines collected under § 8-9-728;

10 (4) Fund all administrative, accounting, auditing, and
11 compliance activities associated with the deposit beverage container
12 recycling program under the Arkansas Litter Reduction and Deposit Beverage
13 Container Recycling Act, § 8-9-701 et seq.;

14 (5) Employ personnel to oversee the implementation of the
15 deposit beverage container recycling program under the Arkansas Litter
16 Reduction and Deposit Beverage Container Recycling Act, § 8-9-701 et seq.,
17 including permitting and enforcement activities;

18 (6) Defray office expenses associated with implementation of the
19 Arkansas Litter Reduction and Deposit Beverage Container Recycling Act, § 8-
20 9-701 et seq.; and

21 (7) Fund other distributions and administrative expenditures as
22 necessary to administer the Arkansas Litter Reduction and Deposit Beverage
23 Container Recycling Act, § 8-9-701 et seq.

24 (d) Moneys deposited into the fund shall also be used to:

25 (1) Identify, enlist, or contract with vendors of microsite
26 certified redemption centers under § 8-9-711;

27 (2) Provide training, guidance, and other resources to certified
28 redemption centers or certified redemption center depots, especially
29 certified redemption centers or depots owned or operated by nonprofit
30 entities;

31 (3) Produce educational campaigns and materials to ensure public
32 awareness of and compliance with the deposit beverage container recycling
33 program under the Arkansas Litter Reduction and Deposit Beverage Container
34 Recycling Act, § 8-9-701 et seq.; and

35 (4) Provide grants to local governments for water infrastructure
36 and to the Arkansas Department of Transportation for state aid to county

1 roads for improvements to county roads and grants to nonprofit organizations
2 or other entities to support solid waste management, recycling, curbside
3 recycling, litter control, and other programs and activities related to the
4 purposes of this subchapter

5
6 SECTION 5. DO NOT CODIFY. Effective Dates.

7 (a) Section 8-9-703(a) in Section 2 of this act is effective on and
8 after September 1, 2019.

9 (b) Sections 8-9-705 and 8-9-706 in Section 2 of this act are
10 effective on and after March 1, 2020.

11 (c) Sections 8-9-707, 8-9-708, 8-9-721, and 8-9-722 in Section 2 of
12 this act are effective on and after April 1, 2020.

13 (d) The first report required under § 8-9-724(a) in Section 2 of this
14 act shall be for the period from October 1, 2019, through June 30, 2021.

15
16 /s/V. Flowers

17
18
19 Referred by Representative V. Flowers

20 Prepared by: CRH/CRH

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31 Prepared by: CRH/CRH