



NEVADA LEGISLATURE
LEGISLATIVE COMMISSION'S COMMITTEE TO STUDY
THE DEPOSITS AND REFUNDS ON RECYCLED PRODUCTS
(Assembly Bill 427, Chapter 462, *Statutes of Nevada 2011*)

SUMMARY MINUTES AND ACTION REPORT

The first meeting of the Legislative Commission's Committee to Study the Deposits and Refunds on Recycled Products (Assembly Bill 427, Chapter 462, *Statutes of Nevada 2011*) was held on Tuesday, February 21, 2012, at 3 p.m. in Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. This meeting was videoconferenced to Room 2135 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. A copy of this set of "Summary Minutes and Action Report," including the "Meeting Notice and Agenda" ([Exhibit A](#)) and other substantive exhibits, is available on the Nevada Legislature's website at <http://leg.state.nv.us/interim/76th2011/committee/>. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's (LCB's) Publications Office (e-mail: publications@lcb.state.nv.us; telephone: 775/684-6835).

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Assemblyman James Ohrenschall, Chair
Senator Ruben J. Kihuen
Senator Mark A. Manendo
Assemblywoman April Mastroluca

COMMITTEE MEMBERS PRESENT IN CARSON CITY:

Senator Don Gustavson
Assemblyman Peter Livermore

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Michael J. Stewart, Supervising Principal Research Analyst, Research Division
Matthew S. Nichols, Principal Deputy Legislative Counsel, Legal Division
Matt Mundy, Deputy Legislative Counsel, Legal Division
Wayne Thorley, Program Analyst, Fiscal Analysis Division
Natalie J. Pieretti, Senior Research Secretary, Research Division

OPENING REMARKS AND INTRODUCTIONS

- Chair Ohrenschall remarked on the history of Assembly Bill 427 (Chapter 462, *Statutes of Nevada* 2011) and introduced Committee members and staff.

PUBLIC COMMENT

- Chair Ohrenschall called for public comment; however, no testimony was presented.

OVERVIEW OF ASSEMBLY BILL 427 (CHAPTER 462, *STATUTES OF NEVADA 2011*) AUTHORIZING AN INTERIM STUDY CONCERNING THE DEPOSITS AND REFUNDS ON RECYCLED PRODUCTS AND OTHER MATTERS RELATING TO RECYCLING AND REVIEW OF THE SCOPE AND ACTIVITIES OF THE INTERIM STUDY COMMITTEE

- Michael J. Stewart, Supervising Principal Research Analyst, Research Division, LCB, presented a brief overview of A.B. 427, explained the scope of the Committee, and introduced Committee staff. (Please see [Exhibit B.](#))

SUMMARY OF BEVERAGE CONTAINER DEPOSIT LEGISLATION AND DEPOSIT AND REFUND PROGRAMS FOR RECYCLED PRODUCTS IN OTHER STATES

- Michael J. Stewart, previously identified, presented a historical background on beverage container deposit legislation (CDL) and deposit and refund programs for recycled products in other states. He commented that ten states have current CDLs: California, Connecticut, Hawaii, Iowa, Maine, Massachusetts, Michigan, New York, Oregon, and Vermont. The United States Territory of Guam approved CDL in 2010, which will become effective in 2013. Mr. Stewart informed the Committee that redemption rates vary between the states, with most rates being five cents. He noted that new legislation impacting redemption rates was approved in Oregon in June 2011; and remarked that Oregon currently offers two cents on standard refillables; and five cents on non-refillables. Mr. Stewart said that the amount for non-refillables would increase to ten cents if the redemption rate falls below 80 percent. (Please see [Exhibit C-1](#) and [Exhibit C-2.](#))

OVERVIEW OF STATEWIDE RECYCLING EFFORTS, RELATED PROGRAMS, AND PARTNERSHIP AND IMPLEMENTATION CONSIDERATIONS FOR POTENTIAL PRODUCTS DEPOSIT AND REFUND LEGISLATION

- Colleen Cripps, Ph.D., Administrator, Nevada's Division of Environmental Protection (NDEP), State Department of Conservation and Natural Resources (SDCNR), testified that NDEP has been providing recycling information and outreach programs for 20 years. Dr. Cripps advised that information is collected annually to calculate the recycling rate, with a biennial report prepared for the Nevada Legislature on recycling in the State. She commented NDEP takes no position on CDL, only whether there are

adequate resources to ensure the implementation of a successful program. (Please see [Exhibit D-1](#) and [Exhibit D-2](#).)

- Jasmine Vittori, Northern Nevada Recycling Coordinator, NDEP, SDCNR, provided a Microsoft PowerPoint presentation on recycling that included: (1) past history; (2) municipal recycling statutes; (3) NDEP statutory mandates; (4) recycling rates; (5) NDEP's efforts to educate and promote recycling; (6) other community efforts; and (7) NDEP's vision for the future. (See [Exhibit D-1](#).)

Discussion ensued among Senator Manendo, Ms. Vittori, and Dr. Cripps regarding staffing, funding, and the status of administrative regulations relating to Senate Bill 417 (Chapter 254, *Statutes of Nevada 2011*) (which were recently approved by the State Environmental Commission, SDCNR, and are awaiting approval from the Legislative Commission.)

- Nicole Goehring, Southern Nevada Recycling Coordinator, NDEP, SDCNR, testified on issues including: (1) 2000-2010 recycling rates; (2) 2010 county recycling rates; (3) 2010 Statewide municipal solid waste commodities; and (4) national recycling rates. (See [Exhibit D-1](#).)

Discussion centering on population thresholds for required recycling was held among Chair Ohrenschall, Ms. Goehring, and Ms. Vittori. In response to Chair Ohrenschall's inquiry regarding recycling programs in counties with populations between 45,000 and 100,000, and why there is a difference in collection rates between the larger and smaller communities, Ms. Vittori stated that Carson City and Douglas County have well established recycling services, with Elko County beginning curbside recycling, and Lyon County in the process of beginning recycling.

- Assemblyman Livermore stated that in Carson City, there is no additional fee assessed for recycling, which is collected on a bi-weekly basis along with the consumer's weekly refuse.

Further discussion ensued between Chair Ohrenschall and Ms. Vittori regarding Clark County's recycling rate, and NDEP's goal of 25 percent for recycling in comparison to the rest of the nation.

- David Emme, Deputy Administrator, NDEP, SDCNR presented testimony on: (1) exemptions or exceptions; (2) handling and processing costs; (3) other considerations such as fraud; (4) private versus public sector program management; (5) role of retailers versus distributors; (6) time and cost of program start-up; and (7) unclaimed deposits revenue and handling fees. ([Exhibit D-2](#).)

In response to Chair Ohrenschall's inquiry, Mr. Emme stated that studies show the administrative costs to implement a program are lower in California. He added that

the comparison between Hawaii and Oregon was to indicate where the cost to administer the program lies; either with the private or government sector.

- Assemblywoman Mastroluca voiced concerns regarding fraud and program costs.
- Mr. Emme remarked administrative efficiency studies have been conducted, with California at the low end of per-container cost, which is an important consideration in moving forward.

In response to Chair Ohrenschall's inquiry regarding recycling rates in states with CDLs, Mr. Emme opined that states with CDLs had higher rates.

DISCUSSION OF CURBSIDE AND OTHER RECYCLING ACTIVITIES OFFERED BY REPUBLIC SERVICES, INC., AND WASTE MANAGEMENT OF NEVADA

- Bob Coyle, Vice President of Public Affairs and Government Relations, Republic Services, Inc. (RSI), responded to prior questions comparing Clark County's recycling numbers to the rest of the country. He stated the U.S. Environmental Protection Agency revised its 2010 recycling numbers showing a slight increase to an average rate of 34.1 percent of the waste stream. Mr. Coyle presented an overview of: (1) commingled single stream pilot programs; (2) easy access onsite recycling bins; (3) mail-room/office recycling; (4) recycling raccoons; (5) the red, white, and blue program; and (6) results of RSI's single stream recycling pilot program. He provided information from the University of Nevada, Las Vegas (UNLV), Canyon Survey Center, Division of Education Outreach. (Please see [Exhibit E-1](#) and [Exhibit E-2](#).)

Discussion ensued between Assemblywoman Mastroluca and Mr. Coyle pertaining to the impact on the recycling stream if plastic bottles were removed; the resulting increase to the consumer for trash service; the life of landfills; and a single stream recycling implementation date of 2017 for Clark County.

Responding to Senator Manendo's request for clarification on whether the UNLV survey included condominiums, Mr. Coyle replied the survey includes 130 complexes, and he is not aware if any condominium communities were included.

Senator Manendo and Mr. Coyle discussed recycling containers in mailrooms or adjacent areas.

Discussion ensued between Chair Ohrenschall and Mr. Coyle regarding trash collection rate comparisons in CDL states and non-CDL states.

In response to Chair Ohrenschall's inquiry whether RSI operates in jurisdictions with any single stream recycling and deposit redemptions, and whether RSI has been affected in those jurisdictions, Mr. Coyle responded there is difficulty in drawing a nexus because of rate increases due to single stream implementation.

Responding to Chair Ohrenschall's inquiry whether single stream recycling will be implemented throughout Clark County, Mr. Coyle replied he is hopeful for decisions by the end of 2012.

In response to Senator Manendo, Mr. Coyle remarked the first pilot program was implemented in housing at Nellis Air Force Base, Las Vegas, in January 2008. He acknowledged that the City of North Las Vegas voted to convert in December 2010, and stated that the City of Henderson has a scheduled agenda item on March 6, 2012, for approval.

Discussion ensued between Chair Ohrenschall and Mr. Coyle regarding consumer rate increases upon implementation of recycling programs. Mr. Coyle assured that RSI has guaranteed no rate increases, and added that worker's compensation claims will be reduced through the use of trucks with mechanical arms and that RSI will benefit from the increase in recyclable commodities, which could be sold to pay for its investment in the recycling program.

In response to Assemblywoman Mastroluca's query, Mr. Coyle said aluminum followed by polyethylene terephthalate (PET) (e.g., water and beverage bottles) and high-density polyethylene (HDPE) (e.g., Tide detergent) containers are the most valuable commodities in single stream recycling.

Discussion ensued among Chair Ohrenschall, Mr. Livermore and Mr. Coyle regarding single bin thefts by scavengers; the positive effects of single stream recycling; and conversion of the pilot program in Clark County.

Responding to Chair Ohrenschall, Mr. Coyle replied there would be no layoffs due to single stream implementation, but he anticipates a slight increase in new employees.

- Chair Ohrenschall asked for comparison recycling rate data from single stream jurisdictions that do not have a deposit redemption bill to a state that has a CDL.
- Mr. Coyle advised he would provide information to the Committee.
- Greg Martinelli, General Manager, Waste Management of Nevada, presented a Microsoft PowerPoint presentation that included an overview of: (1) the benefits of single stream recycling; (2) a northern Nevada pilot; (3) commodity volumes; and (4) testimonials for single stream recycling. (Please see [Exhibit F](#).)
- Chair Ohrenschall inquired if northern Nevada rates were comparable to those achieved by RSI in southern Nevada, to which Mr. Martinelli responded affirmatively.

Discussion ensued between Senator Manendo and Mr. Martinelli regarding the use of large recycling bins in apartment and condominium complexes. Mr. Martinelli testified that

garbage rates, which includes recycling in Washoe County, vary between Reno, Sparks, and Washoe County.

In response to Assemblywoman Mastroluca, Mr. Martinelli confirmed the rates are flat rates with an established service offering that will include recycling. Mr. Martinelli remarked that there is a possibility of an incremental increase in rates.

OVERVIEW OF RECYCLING EFFORTS, PARTNERSHIPS AND RELATED OUTREACH PROGRAMS BY THE PUBLIC LANDS INSTITUTE AND THE DON'T TRASH NEVADA PROGRAM AND CONSIDERATIONS RELATING TO POTENTIAL RECYCLED PRODUCTS DEPOSIT AND REFUND LEGISLATION

- Elizabeth R. Barrie, Ph.D., Project Manager, Take Pride in America Program, Department of Recreation and Sport Management, Public Lands Institute, University of Nevada, Las Vegas (UNLV), testified on issues including:

- § Collaboration;
- § Nevada's public lands;
- § Public lands perspective;
- § Outreach efforts;
- § Southern Nevada Agency Partnership (SNAP) anti-litter and desert dumping;
- § SNAP recycling; and
- § Statistics. (Please see [Exhibit G.](#))

Responding to Senator Manendo's query regarding funding, Dr. Barrie responded the UNLV is reimbursed by the Bureau of Land Management, U.S. Department of the Interior, through the Southern Nevada Public Land Management Act, and includes funding for two graduate assistants and a student worker.

REVIEW OF RECYCLING EFFORTS AND RELATED PROGRAMS OFFERED BY STRATEGIC MATERIALS, INC.

- David Hudson, Vice President of Government Affairs, Strategic Materials, Inc. (SMI), Houston, Texas, provided a Microsoft PowerPoint presentation that included information on: (1) Recycling: the importance and why it makes sense; (2) SMI in Nevada; (3) SMI profile; (4) what a CDL program will mean for Nevada; and (5) voter's responses regarding the program. (Please See [Exhibit H.](#))

In response to Chair Ohrenschall, Mr. Hudson confirmed that ten CDL states and one territory account for over 55 percent of the nation's beverage container packaging. Mr. Hudson commented there is a considerable difference in recycling rates between the 11 jurisdictions and the rest of the nation. He noted Nevada's recycling rate for aluminum, steel cans, and HDPE bottles is close to the national average.

- Mr. Hudson clarified that the 55 percent he referenced regarding the beverage container packaging represents recycled packaging. He stated he will provide the Committee members with the percentage of bottles sold and unredeemed.

Discussion pertaining to operations by SMI in Nevada and the CDL jurisdictions ensued between Mr. Hudson and Chair Ohrenschall. They also discussed recycling in schools and non-profit organizations.

- Mr. Hudson noted that recycling rates are about the same in both the redemption center and retailer locations. He stated that single stream recycling has been adopted and is flourishing in most of the 11 CDL jurisdictions.

Responding to Chair Ohrenschall regarding curbside recycling participation, Mr. Hudson commented that in California, curbside operators receive the commodity and redemption value for the product. He remarked further that jobs established in Nevada would provide employment at redemption centers, recycling facilities, waste management companies, and hauling opportunities.

- Assemblywoman Mastroluca voiced concern for individuals on food stamps being subsidized with redemption deposits.
- Mr. Hudson offered to provide data relating to that topic to the Committee.

Discussion ensued between Assemblyman Livermore and Mr. Hudson regarding other states reception to the adoption of CDL programs and difficulties in passing legislation. Mr. Hudson stated SMI is receiving more interest on container deposit programs, but that legislation for the program is difficult to pass. Mr. Hudson testified that in recent years, SMI has seen a rapid increase in container deposit programs; however, he noted there is a lack of stakeholder engagement.

Responding to Mr. Livermore, Mr. Hudson replied there is no evidence of any jobs being eliminated as a result of the implementation of the program.

DISCUSSION OF RECYCLING BENEFITS AND CONSIDERATIONS FOR BEVERAGE CONTAINER DEPOSIT AND REFUND LEGISLATION

- Kevin Dietly, Principal, Northbridge Environmental Management Consultants, Westford, Massachusetts, presented testimony on the following topics: beverage container deposits; beverage industry and recycling policies; recycling as resource management; and, the U.S. beverage industry. (Please see [Exhibit I.](#))
- Chair Ohrenschall stated his intent in sponsoring A.B. 427 was to increase recycling in Nevada.

Discussion followed between Chair Ohrenschall and Mr. Dietly surrounding issues pertaining to the beverage companies' loss of sales due to the deposit fee in the 11 jurisdictions, the "pay-as-you-throw" model, the comparison of "pay-as-you-throw" recycling rates to those in the CDL states, and Nevada's poor recycling rate.

In response to Senator Manendo's query regarding prevention of extra garbage in recycling bins, Mr. Dietly responded it would have to be monitored.

INITIAL DISCUSSION AND CONSIDERATION OF POTENTIAL IMPACTS OF BEVERAGE CONTAINER DEPOSIT AND REFUND LEGISLATION AND RETAILERS IN NEVADA

- Lea Tauchen, Senior Director of Government Affairs for Grocery and General Merchandise, Retail Association of Nevada, testified regarding concerns about: costs; logistics; and, health and safety in the mandatory retainer collection for a bottle deposit program. (Please see [Exhibit J.](#))
- Chair Ohrenschall inquired if the concerns of retailers would be alleviated should Nevada become a CDL state and recycling centers, rather than the retailers' business, were used for the return of containers.
- Ms. Tauchen replied retailers would continue to be responsible for the administration aspects of the refunds, and issues would remain where the redemption centers are located.

INITIAL DISCUSSION REGARDING THE ENVIRONMENTAL BENEFITS OF RECYCLING BEVERAGE CONTAINERS AND POTENTIAL LEGISLATION PROVIDING FOR DEPOSITS AND REFUNDS OF RECYCLABLE BEVERAGE CONTAINERS

- Kyle Davis, Political Director, Nevada Conservation League, thanked Chair Ohrenschall for sponsoring the bill and sparking the discussion regarding the best interests for the State of Nevada, while recognizing the different economic and social interests of all entities involved.
- Joe Johnson, Lobbyist, Toiyabe Chapter, Sierra Club, voiced support of A.B. 427, and legislation in Hawaii and other states.

Responding to Chair Ohrenschall's query if the Sierra Club had any position on the "pay-as-you-throw" model versus the CDL, Mr. Johnson offered to provide information to the Committee.

- Morgan Tiar, Operations Coordinator, Keep Truckee Meadows Beautiful, testified regarding the benefits of beverage container deposits, including reduction in illegal littering and dumping, which takes a toll on land, water, and wildlife and reduces

property value. She commented that last year, 80 tons of trash was removed from open spaces.

DISCUSSION OF FUTURE MEETING SCHEDULE AND DIRECTION TO COMMITTEE STAFF

- Michael J. Stewart, previously identified, proposed available dates for upcoming meetings. The members approved a second meeting date of April 3, 2012.
- Chair Ohrenschall stated that the Committee's goal is to produce an increase in recycling in the State.

PUBLIC COMMENT

- Tony Salazar, Chief Executive Officer, The Environmentally Responsible Company (ERC) of Nevada, LLC, North Las Vegas, Nevada, requested local recyclers be placed on the next agenda.
- Senator Manendo requested if regulations on S.B. 417 (Chapter 254, *Statutes of Nevada 2011*) are in place by the next meeting, that it be placed on the next agenda for the Committee to review.
- Chair Ohrenschall opined that if recycling were in place in apartment and condominium complexes, it would encourage the public to recycle.
- Norberto Madrigal, Treasurer, Lunas Recycling, also known as Lunas Construction Clean-Up, Las Vegas, Nevada, testified the company opened up a Material Recovery Facility, and that if the CDL was passed, jobs would increase from the 120 that the company provides.
- Chair Ohrenschall noted that an attempt would be made to place this issue on a future agenda.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 7:35 p.m.

Respectfully submitted,

Natalie J. Pieretti
Senior Research Secretary

Michael J. Stewart
Supervising Principal Research Analyst

APPROVED BY:

Assemblyman James Ohrenschall, Chair

Date: _____

LIST OF EXHIBITS

Exhibit A is the “Meeting Notice and Agenda” provided by Michael J. Stewart, Supervising Principal Research Analyst, Research Division, Legislative Counsel Bureau (LCB), Carson City.

Exhibit B is a packet of information regarding the history of Assembly Bill 427 (Chapter 452, *Statutes of Nevada 2011*) presented by Michael J. Stewart, Supervising Principal Research Analyst, Research Division, LCB, that includes:

- Floor Statement prepared by the Research Division, LCB;
- Minutes of the April 5, 2011, Meeting of the Assembly Committee on Natural Resources, Agriculture, and Mining, Seventy-Sixth Session;
- Minutes of the April 14, 2011, Meeting of the Assembly Committee on Natural Resources, Agriculture, and Mining, Seventy-Sixth Session; and
- Minutes of the June 3, 2011, Meeting of the Assembly Committee on Natural Resources, Agriculture, and Mining, Seventy-Sixth Session.

Exhibit C-1 is a table titled “State Beverage Container Laws” submitted by Michael J. Stewart, Supervising Principal Research Analyst, Research Division, LCB.

Exhibit C-2 is a document depicting states with container deposit legislation offered by Michael J. Stewart, Supervising Principal Research Analyst, Research Division, LCB, and acquired through www.bottlebill.org.

Exhibit D-1 is a Microsoft PowerPoint presentation titled “Recycling: State of the State,” submitted by Colleen Cripps, Ph.D., Administrator, Nevada’s Division of Environmental Protection (NDEP), State Department of Conservation and Natural Resources (SDCNR), presented by Jasmine Vittori, Northern Nevada Recycling Coordinator, NDEP, SDCNR, and Nicole Goehring, Southern Nevada Recycling Coordinator, NDEP, SDCNR.

Exhibit D-2 is a document titled “Implementation Considerations related to Beverage Container Deposit and Redemption Legislation,” dated December 2011, submitted by Colleen Cripps, Ph.D., Administrator, NDEP, SDCNR.

Exhibit E-1 is a Microsoft PowerPoint presentation titled “State of Recycling in Clark County,” provided by Bob Coyle, Vice President of Public Affairs and Government Relations, Republic Services, Inc. (RSI), Las Vegas, Nevada.

Exhibit E-2 is a survey prepared by the University of Nevada, Las Vegas, Canyon Survey Center, Division of Educational Outreach, presented by Bob Coyle, Vice President of Public Affairs and Government Relations, RSI, Las Vegas/

Exhibit F is a Microsoft PowerPoint presentation titled “State of Recycling (sic), Washoe County, Nevada,” submitted by Greg Martinelli, General Manager, Waste Management of Nevada.

[Exhibit G](#) is a Microsoft PowerPoint presentation offered by Elizabeth R. Barrie, Ph.D., Project Manager, Take Pride in America Program, Department of Recreation and Sport Management, Public Lands Institute, University of Nevada, Las Vegas.

[Exhibit H](#) is a Microsoft PowerPoint presentation titled “Strategic Materials Recycling Earth’s Resources,” given by David Hudson, Vice President of Government Affairs, Strategic Materials, Inc., Houston, Texas.

[Exhibit I](#) is the written testimony dated February 21, 2012, of Kevin Dietly, Principal, Northbridge Environmental Management Consultants, Westford, Massachusetts.

[Exhibit J](#) is a document titled “Mandatory Beverage Container Deposit Program,” submitted by Lea Tauchen, Senior Director of Government Affairs for Grocery and General Merchandise, Retail Association of Nevada, Carson City.

This set of “Summary Minutes and Action Report” is supplied as an informational service. Exhibits in electronic format may not be complete. Copies of the complete exhibits, other materials distributed at the meeting, and the audio record are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. You may contact the Library online at www.leg.state.nv.us/lcb/research/library/feedbackmail.cfm or telephone: 775/684-6827.