

## 104TH GENERAL ASSEMBLY

### State of Illinois

### 2025 and 2026

#### HB4064

Introduced 5/21/2025, by Rep. Maurice A. West, II

#### SYNOPSIS AS INTRODUCED:

New Act

30 ILCS 105/5.1030 new

30 ILCS 105/5.1031 new

Creates the Extended Producer Responsibility and Recycling Refund Act. Defines terms. Provides for the registration of producer responsibility organizations and service providers. Provides for the duties of a packaging producer responsibility organization and a recycling refund producer responsibility organization. Establishes advisory boards. Provides for responsibilities of packaging producers. Provides for restrictions on introduction and sales of covered materials and covered beverage containers. Provides for requirements for service providers. Provides for responsibilities for the Environmental Protection Agency. Provides for requirements for packaging program needs assessments; a packaging producer program plan; and a recycling refund program plan. Provides for procedures for plan and amendment review and approval. Provides for requirements for a coordination plan; performance targets; producer fees; a website; an applicable refund value for covered beverage containers; a convenience standard for redemption of containers; and a redemption system. Provides that any deposits that are not returned to the consumer must only be used by the recycling refund producer organization for specified purposes. Provides for requirements for a refund value to drop-off facilities and material recovery facilities. Requires reporting, including by a packaging producer responsibility organization, a recycling refund producer responsibility organization, the Environmental Protection Agency, and materials recovery facilities and drop-off facilities. Provides for immunity from liability for antitrust, restraint of trade, and unfair trade practices. Requires rulemaking by the Agency. Provides for enforcement by the Agency and penalties. Creates the Packaging Producer Responsibility Program Fund with a continuing appropriation to the Agency and the Recycling Refund Program Fund with a continuing appropriation to the Agency. Makes conforming changes to the State Finance Act.

LRB104 13702 WRO 26387 b

1 AN ACT concerning safety.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Extended Producer Responsibility and Recycling Refund Act.

6 Section 5. Definitions. As used in this Act, unless the  
7 context requires otherwise:

8 "Agency" means the Illinois Environmental Protection  
9 Agency.

10 "Applicable refund value" means the applicable refund  
11 value established under this Act.

12 "Beverage" means a drinkable liquid intended for human  
13 oral consumption. "Beverage" does not include: (1) a drug  
14 regulated under the Federal Food, Drug, and Cosmetic Act, 21  
15 U.S.C. 301 et seq.; (2) 100% fluid milk; (3) infant formula; or  
16 (4) a meal replacement liquid.

17 "Beverage container" means any prepackaged container for  
18 beverages.

19 "Beverage container collection mechanism" means any manual  
20 or technological means by which empty covered beverage  
21 containers are properly identified as part of processing a  
22 consumer's refund.

23 "Brand" means a name, symbol, word, or mark that

1 identifies a product and attributes the product and its  
2 components, including packaging, to the brand owner.

3 "Brand owner" means a person that owns or licenses a brand  
4 or that otherwise has rights to market a product under the  
5 brand, whether or not the brand's trademark is registered.

6 "Canner" means an individual who collects and redeems  
7 covered beverage containers for critical income.

8 "Centralized processing facilities" means a facility that  
9 sorts and then bales or aggregates covered beverage containers  
10 and associated materials for the purpose of recycling.

11 "Collection rate" means the amount of a covered material  
12 by covered materials type collected by service providers and  
13 transported for recycling or composting divided by the total  
14 amount of the type of a covered material by covered materials  
15 type sold or distributed into the State by the relevant unit of  
16 measurement in the approved program plan.

17 "Compostable material" means a covered material that:

18 (1) meets, and is labeled to reflect that it meets,  
19 the American Society for Testing and Materials Standard  
20 Specification for Labeling of Plastics Designed to be  
21 Aerobically Composted in Municipal or Industrial  
22 Facilities (D6400) or its successor;

23 (2) meets, and is labeled to reflect that it meets,  
24 the American Society for Testing and Materials Standard  
25 Specification for Labeling of End Items that Incorporate  
26 Plastics and Polymers as Coatings or Additives with Paper

1 and Other Substrates Designed to be Aerobically Composted  
2 in Municipal or Industrial Facilities (D6868) or its  
3 successor;

4 (3) is composed of only wood without any coatings or  
5 additives; or

6 (4) is composed of only paper without any coatings or  
7 additives.

8 "Composting" means the controlled microbial degradation of  
9 source-separated compostable materials to yield a humus-like  
10 product.

11 "Composting rate" means the amount of compostable covered  
12 material that is managed through composting, divided by the  
13 total amount of compostable covered material sold or  
14 distributed into the State by the relevant unit of measurement  
15 in the approved program plan.

16 "Coordination plan" means the joint plan developed by the  
17 packaging program producer responsibility organization and the  
18 recycling refund producer responsibility organization.

19 "Covered beverage container" means any beverage container  
20 subject to a recycling refund.

21 "Covered entity" means a person or location that receives  
22 covered services for covered materials in accordance with the  
23 requirements of this Act, including:

24 (1) a single-family residence;

25 (2) a multifamily residence;

26 (3) a public or private elementary or secondary

1 school;

2 (4) a nonprofit corporation with annual revenue of  
3 less than \$35,000,000; and

4 (5) a State agency, political subdivision, public  
5 area, public entity or other governmental unit.

6 "Covered material" means packaging and paper products sold  
7 or supplied in the State. "Covered material" does not include  
8 exempt materials.

9 "Covered materials type" means paper, plastic, metal,  
10 glass, or any other specific type of covered material that:

11 (1) can be categorized based on distinguishing  
12 chemical or physical properties, including properties that  
13 allow a covered materials type to be aggregated into a  
14 discrete commodity category for purposes of reuse,  
15 recycling, or composting; and

16 (2) is based on similar uses in the form of a product  
17 or package.

18 "Covered services" means collecting, transferring,  
19 transporting, sorting, processing, recovering, preparing, or  
20 otherwise managing for purposes of source reduction, reuse,  
21 recycling, or composting.

22 "De minimis producer" means a person that in the most  
23 recent fiscal year:

24 (1) introduced less than one ton of covered material  
25 into this State; or

26 (2) earned global gross revenues of less than

1           \$2,000,000.

2           "Drop-off facilities" means a specific area where  
3 individuals may bring household recyclable materials to be  
4 sorted into material-specific receptacles and is located in  
5 the State.

6           "Environmental impact" means the impact of a covered  
7 material on human health and the environment from extraction  
8 and processing of the raw materials composing the covered  
9 material through manufacturing; distribution; use; recovery  
10 for reuse, recycling, or composting; and final disposal.

11           "Environmental justice area" means a census block group  
12 with a low-income or minority population greater than twice  
13 the statewide average.

14           "Executive director" means the executive director of the  
15 packaging producer responsibility organization or recycling  
16 refund producer responsibility organization.

17           "Exempt materials" means materials, or any portion of  
18 materials, that are:

19               (1) packaging for infant formula, as defined in 21  
20 U.S.C. 321(z);

21               (2) packaging for medical food, as defined in 21  
22 U.S.C. 360ee(b)(3);

23               (3) packaging for a fortified oral nutritional  
24 supplement used by persons who require supplemental or  
25 sole source nutrition to meet nutritional needs due to  
26 special dietary needs directly related to cancer, chronic

1 kidney disease, diabetes, malnutrition, or failure to  
2 thrive, as those terms are defined by the International  
3 Classification of Diseases, Tenth Revision;

4 (4) packaging for a product regulated as a drug or  
5 medical device by the United States Food and Drug  
6 Administration, including associated components and  
7 consumable medical equipment;

8 (5) packaging for a medical equipment or product used  
9 in medical settings that is regulated by the United States  
10 Food and Drug Administration, including associated  
11 components and consumable medical equipment;

12 (6) drugs, biological products, parasitocides, medical  
13 devices, or in vitro diagnostics that are used to treat,  
14 or that are administered to, animals and are regulated by  
15 the United States Food and Drug Administration under the  
16 federal Food, Drug, and Cosmetic Act, 21 U.S.C. 301 et  
17 seq., or by the United States Department of Agriculture  
18 under the federal Virus-Serum-Toxin Act, 21 U.S.C. 151 et  
19 seq.;

20 (7) packaging for products regulated by the United  
21 States Environmental Protection Agency under the federal  
22 Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. 136  
23 et seq.;

24 (8) packaging used to contain liquefied petroleum gas  
25 and are designed to be refilled;

26 (9) paper products used for a newspaper's print

1 publications, including supplements or enclosures, that  
2 include content derived from primary sources related to  
3 news and current events;

4 (10) paper products used for a magazine's print  
5 publication that has a circulation of less than 95,000 and  
6 that primarily includes content derived from primary  
7 sources related to news and current events;

8 (11) packaging used to contain hazardous or flammable  
9 products regulated by the 2012 federal Occupational Safety  
10 and Health Administration Hazard Communication Standard,  
11 29 CFR 1910.1200, that prevent the packaging from being  
12 source reduced or made reusable, recyclable, or  
13 compostable, as determined by the Agency;

14 (12) packaging that is being collected and properly  
15 managed through a paint producer responsibility program  
16 approved by the Agency;

17 (13) exempt materials under this Act, as determined by  
18 the Agency; or

19 (14) covered materials that:

20 (A) a producer distributes to another producer;

21 (B) are subsequently used to contain a product,  
22 and the product is distributed to a commercial or  
23 business entity for the production of another product;  
24 and

25 (C) are not introduced to a person other than the  
26 commercial or business entity that first received the



1 product used for the production of another product.

2 "Express redemption site" means a designated return point  
3 that allows consumers to return covered beverage containers,  
4 and that do not require cash handling on-site; rather, upon  
5 return, beverage containers are transported to centralized  
6 processing facilities, and refunds are credited to the  
7 consumer's virtual account. "Express redemption site" includes  
8 bag-drop systems, reverse vending machines, or other beverage  
9 container collection mechanisms to enhance convenience and  
10 accessibility for consumers.

11 "Full-service redemption site" means a return point where  
12 individuals may return covered beverage containers to receive  
13 immediate refunds for their returns.

14 "Independent auditor" means an independent certified  
15 public accountant with an active license that is:

16 (1) retained by a producer responsibility  
17 organization;

18 (2) not otherwise employed by or affiliated with a  
19 producer responsibility organization; and

20 (3) qualified to conduct an audit under State law.

21 "Infrastructure investment" means an investment by a  
22 packaging producer responsibility organization that funds:

23 (1) equipment or facilities in which covered materials  
24 are prepared for reuse, recycling, or composting;

25 (2) equipment or facilities used for source reduction,  
26 reuse, recycling, or composting of covered materials; or

1           (3) the expansion or strengthening of demand for and  
2           use of covered materials by responsible markets in the  
3           State or region.

4           "Introduce" means to sell, offer for sale, distribute, or  
5           use to ship a product within or into this State.

6           "Living wage" means the minimum hourly wage necessary to  
7           allow a person working 40 hours per week to afford basic needs.

8           "Lobby" or "lobbying" means the practice of promoting,  
9           opposing, or in any manner influencing or attempting to  
10          influence the introduction, defeat, or enactment of  
11          legislation before any legislative body; opposing or in any  
12          manner influencing the executive approval, veto, or amendment  
13          of legislation; or the practice of promoting, opposing, or in  
14          any manner influencing or attempting to influence the  
15          enactment, promulgation, modification, or deletion of  
16          regulations before any regulatory body. The term does not  
17          include providing public testimony before a legislative body  
18          or regulatory body or any committee of a legislative or  
19          regulatory body.

20          "Local government" means a county, city, or town,  
21          including any municipal corporation, quasi-municipal  
22          corporation, or special purpose district, or any office,  
23          department, division, bureau, board, commission, or agency  
24          thereof, or other local public agency.

25          "Low-income" means a household at or below 80% of the  
26          median income level for a given county as determined annually

1 by the U.S. Department of Housing and Urban Development.

2 "Material recovery facility" means a facility in the State  
3 that collects, compacts, repackages, sorts, or processes for  
4 transport source-separated material for the purpose of  
5 recycling.

6 "Minority" means a person who is any of the following:

7 (1) American Indian or Alaska Native (a person having  
8 origins in any of the original peoples of North and South  
9 America, including Central America, and who maintains  
10 tribal affiliation or community attachment).

11 (2) Asian (a person having origins in any of the  
12 original peoples of the Far East, Southeast Asia, or the  
13 Indian subcontinent, including, but not limited to,  
14 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,  
15 the Philippine Islands, Thailand, and Vietnam).

16 (3) Black or African American (a person having origins  
17 in any of the black racial groups of Africa).

18 (4) Hispanic or Latino (a person of Cuban, Mexican,  
19 Puerto Rican, South or Central American, or other Spanish  
20 culture or origin, regardless of race).

21 (5) Native Hawaiian or Other Pacific Islander (a  
22 person having origins in any of the original peoples of  
23 Hawaii, Guam, Samoa, or other Pacific Islands).

24 "Needs assessment" means the most recently completed needs  
25 assessment conducted under this Act.

26 "Packaging" means a material type, such as paper, plastic,

1 glass, metal, or multi-material, that is used to protect,  
2 contain, transport, or serve a product.

3 "Packaging manufacturer" means any person, firm,  
4 association, partnership, or corporation that produces  
5 packaging or a packaging component of covered beverage  
6 containers.

7 "Packaging producer program plan" means a program plan  
8 developed by the packaging producer responsibility  
9 organization that is prepared and submitted to the Agency for  
10 review and approval.

11 "Packaging producer responsibility organization" means a  
12 nonprofit corporation that is tax-exempt under Section  
13 501(c)(3) of the federal Internal Revenue Code and that is  
14 created by a group of producers to implement the non-recycling  
15 refund activities under this Act.

16 "Packaging program" means a program where producers of  
17 covered materials not in the recycling refund program pay a  
18 fee to meet certain performance targets.

19 "Packaging program advisory board" means the packaging  
20 program advisory board established under this Act.

21 "Paper product" means a product made primarily from wood  
22 pulp or other cellulosic fibers but does not include bound  
23 books or products that recycling or composting facilities will  
24 not accept because of the unsafe or unsanitary nature of the  
25 paper product. "Paper product" does not include exempt  
26 materials.

1           "Postconsumer recycled content" means the amount of  
2 postconsumer material used by a producer in the production of  
3 a covered materials type, divided by the total amount of that  
4 covered materials type used for products sold or distributed  
5 by the producer in that same calendar year.

6           "Producer" means the following person responsible for  
7 compliance with requirements under this Act for an item sold,  
8 offered for sale, or distributed in or into this State:

9           (1) for an item sold in or with packaging at a physical  
10 retail location in this State:

11               (A) if the item is sold in or with packaging that  
12 includes a brand, the producer is the brand owner;

13               (B) if there is no person or entity described in  
14 subparagraph (A) of this paragraph (1), the producer  
15 is the person or entity that is licensed to sell, offer  
16 for sale, or distribute to consumers in the State an  
17 item under the brand or trademark used in a commercial  
18 enterprise, sold, offered for sale, or distributed in  
19 or into this State, whether or not the trademark is  
20 registered in this State;

21               (C) if there is no person to which subparagraph  
22 (A) or (B) of this paragraph (1) applies, the producer  
23 is the person that is licensed to manufacture and sell  
24 or offer for sale to consumers in this State an item  
25 under the brand or trademark of another manufacturer  
26 or person;

1           (D) if there is no person described in  
2           subparagraph (A), (B), or (C) of this paragraph (1)  
3           within the United States, the producer is the person  
4           who is the importer of record for the item into the  
5           United States for use in a commercial enterprise that  
6           sells, offers for sale, or distributes the item in  
7           this State; or

8           (E) if there is no person described in  
9           subparagraph (A), (B), (C), or (D) of this paragraph  
10          (1), the producer is the person that first distributes  
11          the item in or into this State;

12          (2) for items sold or distributed in or into this  
13          State via ecommerce, remote sale, or remote distribution:

14               (A) for packaging used to directly protect or  
15               contain the item, the producer of the packaging is the  
16               same as the producer identified under paragraph (1);  
17               and

18               (B) for packaging used to ship the item to a  
19               consumer, the producer of the packaging is the person  
20               that packages the item to be shipped to the consumer;

21          (3) for packaging that is an item and is not included  
22          in paragraphs (1) and (2), the producer of the packaging  
23          is the person that first distributes the item in or into  
24          this State;

25          (4) a person is the producer of an item or covered  
26          product sold, offered for sale, or distributed in or into

1       this State, as defined in paragraphs (1) through (3),  
2       except where a private label producer has mutually agreed  
3       with a brand owner to accept responsibility as the  
4       producer, and the private label producer has joined a  
5       registered producer responsibility organization as the  
6       responsible producer for that item; if a private label  
7       producer accepts responsibility as the producer, the brand  
8       owner must provide written certification of that  
9       contractual agreement to the producer responsibility  
10      organization; and

11       (5) if the producer described in paragraphs (1)  
12      through (4) is a business operated wholly or in part as a  
13      franchise, the producer is the franchisor, if that  
14      franchisor has franchisees that have a commercial presence  
15      within the State.

16      "Producer" does not include:

17       (1) government entities; or

18       (2) registered 501(c)(3) charitable organizations and  
19      501(c)(4) social welfare organizations.

20      "Producer responsibility organization" means an  
21      organization set up to carry out the responsibilities of  
22      either the packaging program or the recycling refund program,  
23      or both programs.

24      "Recycling" means any process by which materials are  
25      collected, separated or processed and returned to the economic  
26      mainstream in the form of raw materials or products.

1 "Recycling" does not include:

2 (1) landfill disposal of packaging or paper products  
3 or the residue resulting from the processing of packaging  
4 or product products at a materials recovery facility;

5 (2) use as alternative daily cover or any other  
6 beneficial use at a landfill, incinerator, energy recovery  
7 facility, or energy generation facility by means of  
8 combustion; or

9 (3) final conversion of packaging and paper products  
10 or their components and by-products to a fuel.

11 "Recycling rate" means the amount of recyclable covered  
12 material, in aggregate or by individual covered materials  
13 type, recycled in a calendar year divided by the total amount  
14 of recyclable covered material, in aggregate or by individual  
15 covered materials type, sold or distributed into the State by  
16 the relevant unit of measurement in the approved program plan.

17 "Recycling refund" means a covered beverage container  
18 redemption program that pays a per-unit refund value to  
19 persons for covered beverage containers and collects and  
20 processes covered beverage containers as described in this  
21 Act.

22 "Recycling refund advisory board" means the recycling  
23 refund advisory board established under this Act.

24 "Recycling refund processing facility" means a location  
25 that is designated by the recycling refund producer  
26 responsibility organization to receive, sort, and prepare



1 beverage containers collected through the system for recycling  
2 or reuse.

3 "Recycling refund producer responsibility organization"  
4 means a nonprofit corporation that is tax-exempt under Section  
5 501(c)(3) of the federal Internal Revenue Code created by a  
6 group of recycling refund covered beverage containers  
7 producers to implement activities under this Act.

8 "Recycling refund program plan" means a program plan  
9 developed by the recycling refund producer responsibility  
10 organization that is prepared and submitted to the Agency for  
11 review and approval.

12 "Redemption rate" means the number of covered beverage  
13 containers redeemed for the recycling refund divided by the  
14 number of covered beverage containers sold in the State in a  
15 calendar year. Covered beverage containers transferred by  
16 material recovery facilities to additional materials  
17 processing or end-markets are not included in the calculation  
18 of covered beverage containers redeemed for the recycling  
19 refund.

20 "Redemption site" means a public or private place that  
21 provides the ability to redeem a covered beverage container  
22 for which a deposit was paid.

23 "Responsible market" means a materials market that:

24 (1) reuses, recycles, composts, or otherwise recovers  
25 materials and disposes of contaminants in a manner that  
26 protects the environment and minimizes risks to public

1 health and worker health and safety;

2 (2) complies with all applicable federal, State, and  
3 local statutes, rules, ordinances, and other laws  
4 governing environmental, health, safety, and financial  
5 responsibility;

6 (3) possesses all requisite licenses and permits  
7 required by a federal or State agency or political  
8 subdivision;

9 (4) if the market operates in the State, manages waste  
10 according to the waste management goal and priority order  
11 of waste management practices stated in statute; and

12 (5) minimizes adverse impacts to environmental justice  
13 areas.

14 "Retail establishment" means any person, corporation,  
15 partnership, business, facility, vendor, organization, or  
16 individual that sells or provides merchandise, goods, or  
17 materials directly to a consumer that engages in the sale of  
18 beverages that are covered beverage containers and are  
19 intended for consumption off-site.

20 "Return rate" means the amount of reusable covered  
21 material, in aggregate or by individual covered materials  
22 type, collected for reuse by a producer or service provider in  
23 a calendar year, divided by the total amount of reusable  
24 covered material, in aggregate or by individual covered  
25 materials type, sold or distributed into the State by the  
26 relevant unit of measurement in the approved program plan.

1 "Reusable" means capable of reuse.

2 "Reuse" means the return of a covered material to the  
3 marketplace and the continued use of the covered material by a  
4 producer or service provider when the covered material is:

5 (1) intentionally designed and marketed to be used  
6 multiple times for its original intended purpose without a  
7 change in form;

8 (2) designed for durability and maintenance to extend  
9 its useful life and reduce demand for new production of  
10 the covered material;

11 (3) supported by adequate logistics and infrastructure  
12 at a retail location, by a service provider, or on behalf  
13 of or by a producer, that provides convenient access for  
14 consumers; and

15 (4) compliant with all applicable federal, State, and  
16 local statutes, rules, ordinances, and other laws  
17 governing health and safety.

18 "Reuse rate" means the share of units of a reusable  
19 covered material sold or distributed into the State in a  
20 calendar year that are demonstrated and deemed reusable in  
21 accordance with an approved producer responsibility plan.

22 "Service provider" means an entity that provides covered  
23 services for covered materials. "Service provider" includes a  
24 political subdivision that provides or that contracts or  
25 otherwise arranges with another party to provide covered  
26 services for covered materials within its jurisdiction,

1 regardless of whether it provided, contracted for, or  
2 otherwise arranged for similar services before the approval of  
3 the applicable producer responsibility plan.

4 "Source reduction" means the design, manufacture,  
5 acquisition, purchase, or use of materials or products to  
6 reduce the amount of municipal waste before it enters the  
7 municipal waste stream. This may be accomplished through the  
8 redesign of manufacturing processes; redesign of products;  
9 changes in consumers' purchasing decisions, use, and disposal  
10 habits; and backyard composting.

11 "Third-party certification" means certification by an  
12 accredited independent organization that a standard or process  
13 required by this Act, or by a packaging producer program plan  
14 or a recycling refund program plan approved under this Act,  
15 has been achieved.

16 Section 10. Registration of producer responsibility  
17 organizations and service providers.

18 (a) The annual registration of producer responsibility  
19 organizations and service providers shall be as follows:

20 (1) By April 1, 2026, producers must appoint:

21 (A) a packaging producer responsibility  
22 organization and a recycling refund producer  
23 responsibility organization, or

24 (B) a single producer responsibility organization  
25 with (i) governance to separately implement the

1 packaging producer program plan and the recycling  
2 refund program plan in a coordinated manner, and (ii)  
3 all the responsibilities under this Act of the  
4 packaging producer responsibility organization and the  
5 recycling refund producer responsibility organization.

6 (2) Both the packaging producer responsibility  
7 organization and the recycling refund producer  
8 responsibility organization, or the single producer  
9 responsibility organization, must register with the Agency  
10 by July 1, 2026, and each July 1 thereafter, by submitting  
11 the following:

12 (A) contact information for a person responsible  
13 for implementing an approved program plan;

14 (B) a list of all member producers that have  
15 entered into written agreements to operate under an  
16 approved program plan administered by a registered  
17 producer responsibility organization and, for each  
18 producer, a list of all brands of the producer's  
19 covered materials introduced;

20 (C) a list of current board members and the  
21 executive director if different from the person  
22 responsible for implementing an approved program plan;  
23 and

24 (D) documentation demonstrating adequate financial  
25 responsibility and financial controls to ensure proper  
26 management of funds and payment of the registration

1 fee required under this Section.

2 (b) The registration fee for producer responsibility  
3 organizations and service providers shall be as follows:

4 (1) By November 1, 2026, a packaging producer  
5 responsibility organization and a recycling refund  
6 producer responsibility organization must submit a  
7 one-time payment to the Agency, in lieu of a 2027  
8 registration fee, in an amount determined by the Agency  
9 and communicated to each producer responsibility  
10 organization at least 60 days prior to the deadline for  
11 this initial payment, to cover the previously incurred  
12 costs and future estimated costs of the Agency under this  
13 Act from the effective date of this Act through the paying  
14 of the annual registration fee required in paragraph (2).

15 (2) Beginning January 1, 2028, as part of its annual  
16 registration with the Agency, a packaging producer  
17 responsibility organization and recycling refund producer  
18 responsibility organization must submit to the Agency a  
19 registration fee, as determined by the Agency. By  
20 September 1, 2027, and each September 1 thereafter, the  
21 Agency must provide written notice to registered producer  
22 responsibility organizations in writing of the amount of  
23 the registration fee. If there are 2 or more producer  
24 responsibility organizations implementing the recycling  
25 refund program plan or the packaging producer program  
26 plan, the coordinating body described in this Section must

1 equitably apportion payment of the registration fee  
2 between all registered producer responsibility  
3 organizations managing either program. The registration  
4 fee must be set at an amount anticipated to in the  
5 aggregate meet but not exceed the Agency's estimate of the  
6 costs required to perform the Agency's duties as described  
7 in this Act and to otherwise administer, implement, and  
8 enforce this Act for the 12 months after the registration  
9 date.

10 (3) The Agency must annually reconcile the fees paid  
11 by a producer responsibility organization under this  
12 subdivision with the actual costs incurred by the agency  
13 by means of credits or refunds to or additional payments  
14 required of a producer responsibility organization, as  
15 applicable.

16 (c) After the first packaging producer responsibility plan  
17 approved by the agency expires, the Agency may allow  
18 registration of more than one packaging producer  
19 responsibility organization if:

20 (1) producers of a covered materials type or a  
21 specific covered material appoint a packaging producer  
22 responsibility organization; or

23 (2) producers organize under additional packaging  
24 producer responsibility organizations.

25 (d) All fees received under this Section must be deposited  
26 in the Product Producer Responsibility Program Fund under this

1 Act.

2 Section 15. Packaging producer responsibility organization  
3 duties. A packaging producer responsibility organization must:

4 (1) register with the Agency and pay the required fees  
5 to the Agency, as provided under this Act;

6 (2) submit a producer responsibility plan to the  
7 Agency as required under this Act;

8 (3) implement producer responsibility plans as  
9 required under this Act;

10 (4) forward upon receipt from the Agency the lists  
11 established under this Act to all service providers that  
12 participate in a packaging producer responsibility plan  
13 administered by the packaging producer responsibility  
14 organization;

15 (5) establish, by September 1, 2026, an initial  
16 producer fee structure to fund the initial implementation  
17 of the program, to be used until the packaging producer  
18 responsibility organization has an approved program plan  
19 as required under this Act;

20 (6) collect producer fees;

21 (7) submit the reports required under this Act;

22 (8) ensure that producers operating under a packaging  
23 producer responsibility plan administered by the packaging  
24 producer responsibility organization comply with the  
25 requirements of the packaging producer responsibility plan



1 and with this Act;

2 (9) expel a producer from the packaging producer  
3 responsibility organization if efforts to return the  
4 producer to compliance with the plan or with the  
5 requirements of this Act are unsuccessful;

6 (10) notify the Agency when a producer has been  
7 expelled;

8 (11) consider and respond within 90 days in writing to  
9 comments received from an advisory board, including  
10 justifications for not incorporating advisory board  
11 recommendations;

12 (12) maintain a website with the information required  
13 under this Act;

14 (13) notify the Agency within 30 days of a change made  
15 to the contact information for a person responsible for  
16 implementing the packaging producer responsibility plan,  
17 to board membership, or to the executive director;

18 (14) assist service providers to identify and use  
19 responsible markets;

20 (15) contract directly with service providers and  
21 provide payments in a timely manner; and

22 (16) comply with all other applicable requirements of  
23 this Act.

24 Section 20. Recycling refund producer responsibility  
25 organization duties. A recycling refund producer

1 responsibility organization must:

2 (1) register with the Agency;

3 (2) submit a recycling refund producer plan;

4 (3) implement recycling refund producer plans;

5 (4) collect producer fees;

6 (5) establish, by September 1, 2026, an initial  
7 producer fee structure to fund the initial implementation  
8 of the program, to be used until the recycling refund  
9 producer responsibility organization has an approved  
10 program plan as required under this Act;

11 (6) submit the reports required under this Act;

12 (7) ensure that producers operating under a recycling  
13 refund program plan administered by the recycling refund  
14 producer responsibility organization comply with the  
15 requirements of the recycling refund program plan and with  
16 this Act;

17 (8) expel a producer from the recycling refund  
18 producer responsibility organization if efforts to return  
19 the producer to compliance with the plan or with the  
20 requirements of this Act are unsuccessful;

21 (9) notify the Agency when a producer has been  
22 expelled;

23 (10) consider and respond within 90 days in writing to  
24 comments received from an advisory board, including  
25 justifications for not incorporating board  
26 recommendations;

1           (11) maintain a website with the information required  
2           under this Act;

3           (12) notify the Agency within 30 days of a change made  
4           to the contact information for a person responsible for  
5           implementing the recycling refund producer responsibility  
6           plan, to board membership, or to the executive director;

7           (13) contract directly with service providers and  
8           provide payments in a timely manner; and

9           (14) comply with all other applicable requirements of  
10          this Act.

11          Section 25. Advisory boards.

12          (a) The advisory boards are established as follows:

13               (1) The packaging program advisory board is  
14               established to review all activities conducted by  
15               packaging producer responsibility organizations under this  
16               Act and to advise the Agency and packaging producer  
17               responsibility organizations regarding the implementation  
18               of this Act.

19               (2) The recycling refund advisory board is established  
20               to review all activities conducted by recycling refund  
21               producer responsibility organizations under this Act and  
22               to advise the Agency and recycling refund producer  
23               responsibility organizations regarding the implementation  
24               of this Act.

25          (b) The duties of the advisory boards are as follows:

1 (1) The packaging program advisory board shall:

2 (A) convene its initial meeting by January 1,  
3 2027;

4 (B) consult with the Agency regarding the scope of  
5 the needs assessments and provide written comments on  
6 needs assessments;

7 (C) advise on the development of packaging  
8 producer responsibility plans and amendments to  
9 packaging producer responsibility plans;

10 (D) submit comments to packaging producer  
11 responsibility organizations and to the Agency on any  
12 matter relevant to the administration of this Act;

13 (E) provide written comments to the Agency during  
14 any rulemaking process undertaken by the Agency; and

15 (F) comply with all other applicable requirements  
16 of this Act.

17 (2) The recycling refund advisory board shall:

18 (A) convene its initial meeting by January 1,  
19 2027;

20 (B) review the recycling refund program plan and  
21 provide comments to the recycling refund producer  
22 responsibility organization, prior to the draft being  
23 issued as an official draft for public comment;

24 (C) review program reports and audits and raise  
25 issues for recycling refund producer responsibility  
26 organization follow-up or agency enforcement action;

1 (D) review annual reports and provide comments to  
2 the Agency; and

3 (E) ensure that the recycling refund producer  
4 responsibility organization and Agency are considering  
5 a broad range of perspectives in developing recycling  
6 refund program plans and in implementing programs.

7 (c) The membership of the advisory boards are as follows:

8 (1) By August 1, 2026, the Director of the Agency must  
9 establish and appoint the initial membership of the  
10 packaging program advisory board. The membership of the  
11 packaging program advisory board must consist of the  
12 following:

13 (A) 2 members representing manufacturers of  
14 covered materials or a statewide or national trade  
15 association representing those manufacturers;

16 (B) 2 members representing recycling facilities  
17 that manage covered materials;

18 (C) one member representing a waste hauler or a  
19 statewide association representing waste haulers;

20 (D) one member representing retailers of covered  
21 materials or a statewide trade association  
22 representing those retailers;

23 (E) one member representing a statewide nonprofit  
24 environmental organization;

25 (F) one member representing a community-based  
26 nonprofit environmental justice organization;

1 (G) one member representing a waste facility that  
2 receives and sorts covered materials and transfers  
3 them to another facility for reuse, recycling, or  
4 composting;

5 (H) one member representing a waste facility that  
6 receives compostable materials for composting or a  
7 statewide trade association that represents such  
8 facilities;

9 (I) 2 members representing an entity that develops  
10 or offers for sale covered materials that are designed  
11 for reuse or refill and maintained through a reuse or  
12 refill system or infrastructure or a statewide or  
13 national trade association that represents such  
14 entities;

15 (J) 3 members representing organizations of  
16 political subdivisions, with at least one member  
17 representing a political subdivision outside the  
18 metropolitan area;

19 (K) 2 members representing other interested  
20 parties or additional members of interests under this  
21 paragraph (1) as determined by the Agency; and

22 (L) one member representing the Agency.

23 (2) By August 1, 2026, the Director of the Agency must  
24 establish and appoint the initial membership of the  
25 recycling refund advisory board. The membership of the  
26 recycling refund advisory board must consist of

1           representatives of the following:

2                   (A) one member representing local government;

3                   (B) one member representing a retailer that offers  
4           collection opportunities;

5                   (C) one member representing a packaging  
6           manufacturer that is not a producer;

7                   (D) one member representing a processor;

8                   (E) one member representing an environmental  
9           nonprofit organization;

10                  (F) one member representing an environmental  
11           justice organization or organization that represents  
12           individual collectors;

13                  (G) one member who is a canner or represents a  
14           canner organization; and

15                  (H) 2 members representing other interested  
16           parties or additional members of interests represented  
17           under this paragraph (2) as determined by the Agency.

18           (3) In making appointments under this Section, the  
19   Agency:

20                   (A) may not appoint members who are members of the  
21           General Assembly or registered lobbyists;

22                   (B) may not appoint members who are employees of a  
23           producer required to be members of a producer  
24           responsibility organization in this State under this  
25           Act; and

26                   (C) must endeavor to appoint members from all

1 regions of the State.

2 (4) A chair shall be elected by majority vote of  
3 present members at the first meeting of each year at which  
4 a quorum is present.

5 (d) Members serve for a term of 4 years, except that the  
6 initial term for a majority of the initial appointees must be 2  
7 years so that membership terms are staggered. Members may be  
8 reappointed but may not serve more than 8 consecutive years. A  
9 member of an advisory board appointed to represent the Agency  
10 serves at the pleasure of the Agency. The chair shall be  
11 elected from among the members by a majority of its members.

12 (e) The presence of a majority of appointed advisory board  
13 members constitutes a quorum. Action by an advisory board  
14 requires a quorum and a majority of those present and voting.  
15 All members of an advisory board, except a member of an  
16 advisory board appointed to represent the Agency, are voting  
17 members of the board.

18 (f) Each advisory board must meet at least 2 times per year  
19 and may meet more frequently upon 10 days' written notice at  
20 the request of the chair or a majority of its members.

21 (g) The Agency must provide administrative and operating  
22 support to each advisory board, and the Agency may contract  
23 with a third-party facilitator to assist in administering the  
24 activities of each advisory board, including establishing a  
25 website or landing page on the Agency website.

26 (h) An advisory board member must disclose any instance of



1 actual or perceived conflicts of interest at each meeting of  
2 the advisory board at which recommendations regarding producer  
3 responsibility plans, programs, operations, or activities are  
4 made by an advisory board.

5 Section 30. Packaging producer responsibilities.

6 (a) Beginning August 1, 2026, a producer must be a member  
7 of one or more of the following for the covered materials it  
8 produces:

9 (1) a packaging producer responsibility organization;

10 (2) a recycling refund producer responsibility  
11 organization registered in this State; or

12 (3) the single producer responsibility organization  
13 managing the packaging program and recycling refund  
14 program.

15 (b) A producer must:

16 (1) implement the requirements of the packaging  
17 producer responsibility plan and recycling refund producer  
18 responsibility plan under which the producer operates;

19 (2) pay producer fees under this Act;

20 (3) provide necessary information for covered  
21 materials to the packaging producer responsibility  
22 organization and the recycling refund producer  
23 responsibility organization at a frequency to be  
24 determined by the producer responsibility organization;  
25 and

1           (4) comply with all other applicable requirements of  
2       this Act.

3       Section 35. Introduction and sales restrictions.

4       (a) Packaging producer restrictions are as follows:

5           (1) Beginning January 1, 2030, no producer may sell in  
6       the State covered materials, either separately or when  
7       used to package another product, unless the producer  
8       enters into a written agreement with a packaging producer  
9       responsibility organization to operate under an approved  
10      packaging producer responsibility plan.

11          (2) Beginning January 1, 2033, no producer may sell in  
12      the State covered materials unless covered services are  
13      provided for the covered materials through a program in a  
14      packaging producer responsibility plan approved by the  
15      Agency, and the covered materials are:

16           (1) reusable and capable of being managed through  
17      a reuse system that meets the reuse rate and return  
18      rate required under this Act;

19           (2) included on the recyclable covered materials  
20      list established under this Act; or

21           (3) included on the compostable covered material  
22      list established under this Act.

23          (3) A packaging producer responsibility organization  
24      may petition the Agency for a 2-year extension to comply  
25      with the requirements of paragraph (2). The Agency may

1 approve the extension if the petition demonstrates that  
2 market or technical issues prevent a specific covered  
3 material from being considered reusable or included on the  
4 lists established under this Act. The packaging producer  
5 responsibility organization may petition the Agency for  
6 additional annual extensions if the packaging producer  
7 responsibility organization demonstrates that market or  
8 technical issues preventing compliance persist.

9 (b) A person may not sell or distribute in or into the  
10 State a covered beverage container of a producer that is not  
11 participating in a recycling refund producer responsibility  
12 organization or that is not in compliance with the  
13 requirements of this Act or rules adopted under this Act.

14 Section 40. Service providers.

15 (a) A packaging producer responsibility organization or a  
16 recycling refund producer responsibility organization must  
17 require in a contract with a service provider that the service  
18 provider:

19 (1) meet performance standards established in an  
20 approved producer responsibility plan under this Act;

21 (2) ensure that covered materials are sent to  
22 responsible markets; and

23 (3) provide documentation to the recycling refund  
24 producer responsibility organization and packaging  
25 producer responsibility organization on the amounts,

1 covered materials types, and volumes of covered materials  
2 by covered service method.

3 (b) Bidding processes and ownership ability requirements  
4 are as follows:

5 (1) For infrastructure investments included in an  
6 approved packaging producer responsibility plan, a  
7 packaging producer responsibility organization or a  
8 recycling refund producer responsibility organization must  
9 use the competitive bidding processes and publicly post  
10 bid opportunities, except that preference must be given to  
11 existing facilities, providers of services, and holders of  
12 service accounts in the State for source reduction, reuse,  
13 collection, recycling, and composting of covered  
14 materials.

15 (2) No packaging producer responsibility organization  
16 or recycling refund producer responsibility organization  
17 may own or partially own infrastructure that is used to  
18 fulfill obligations under this Act, except in the  
19 following circumstances:

20 (A) a producer may hold an ownership stake in  
21 infrastructure used to fulfill obligations under this  
22 Act so long as the stake was held before enactment of  
23 this Act and the ownership stake is fully disclosed by  
24 the producer to the packaging producer responsibility  
25 organization; or

26 (B) after a bidding process described in paragraph

1           (1) under which no service provider bids on the  
2           contract, the packaging producer responsibility  
3           organization or the recycling refund producer  
4           responsibility organization may make infrastructure  
5           investments identified under an approved packaging  
6           producer responsibility plan or recycling refund  
7           program plan to implement the requirements in this  
8           Act.

9           (c) Contracting rate requirements are as follows:

10           (1) The packaging producer responsibility organization  
11           shall directly contract to pay 100% of covered services  
12           for covered materials, exclusive of exempt materials. The  
13           methodology for contract rates must consider estimated  
14           revenue received by service providers from the sale of  
15           covered materials based upon relevant material indices and  
16           incorporate relevant cost information identified by the  
17           needs assessment. Contract rates must be annually updated  
18           and reflect the net costs for covered services for covered  
19           materials from covered entities, at a minimum.

20           (2) Contract rates must be based on the following, as  
21           applicable by the service provided:

22           (A) the cost to collect covered material for  
23           recycling, a proportional share of composting, or  
24           reuse adjusted to reflect conditions that affect those  
25           costs, varied by region or jurisdiction in which the  
26           covered services are provided, including, but not

1           limited to:

2                   (i) the number and type of covered entities;

3                   (ii) the population density;

4                   (iii) the collections methods employed;

5                   (iv) the distance traveled by collection  
6           vehicles to consolidation or transfer facilities;  
7           to reuse, recycling, or composting facilities; and  
8           to responsible markets;

9                   (v) other factors that may contribute to  
10          regional or jurisdictional cost differences;

11                  (vi) the proportion of covered compostable  
12          materials within all source-separated compostable  
13          materials collected or managed through composting;  
14          and

15                  (vii) the general quality of covered materials  
16          collected by service providers;

17           (B) the cost to transfer collected covered  
18          materials from consolidation or transfer facilities to  
19          reuse, processing, recycling, or composting facilities  
20          or to responsible markets;

21           (C) the cost to:

22                   (i) sort and process covered materials for  
23          sale or use and remove contamination from covered  
24          materials by a recycling or composting facility,  
25          less the average fair market value for that  
26          covered material based on market indices for the

1 region; and

2 (ii) manage contamination removed from  
3 collected covered material;

4 (D) the administrative costs of service providers,  
5 including education, public awareness campaigns, and  
6 outreach program costs as applicable; and

7 (E) the costs of covered services for a reuse  
8 system or covered services provided for reusable  
9 covered materials and management of contamination.

10 (3) A service provider retains all revenue from the  
11 sale of covered materials. Nothing in this Act may  
12 restrict a service provider from charging a fee for  
13 covered services of covered materials to the extent that  
14 payment from a packaging producer responsibility  
15 organization does not cover all costs of services,  
16 including continued investment and innovation in  
17 operations, operating profits, and returns on investments  
18 required by a service provider to provide sustainability  
19 of the services.

20 (4) Contract rates may be calculated per ton, by  
21 household, or by another unit of measurement under an  
22 approved producer responsibility plan.

23 (d) A producer responsibility organization or a recycling  
24 refund producer responsibility organization must establish a  
25 dispute resolution process utilizing third-party mediators for  
26 disputes related to payments.

1           Section 45. Agency responsibilities. The Agency must:

2           (1) appoint the initial membership of the advisory  
3           boards as required under this Act;

4           (2) provide administrative and operating support to  
5           the advisory board;

6           (3) consult on the initial needs assessment and needs  
7           assessment updates that the packaging producer  
8           responsibility organization conducts, and modify  
9           requirements for needs assessments as it deems  
10          appropriate;

11          (4) review and determine whether to approve producer  
12          responsibility plans and amendments to producer  
13          responsibility plans;

14          (5) by January 1, 2028, develop a list of covered  
15          materials determined to be recyclable or compostable  
16          statewide through systems in which covered materials are  
17          commingled into a recyclables stream and a separate  
18          compostables stream; these covered materials must be  
19          collected at an optimal level of service and convenience  
20          for covered entities, at a minimum, wherever collection  
21          services for mixed municipal solid waste are available;

22          (6) by January 1, 2028, develop:

23                (A) a list of covered materials determined to be  
24                recyclable or compostable and collected statewide  
25                through systems other than the system required for



1 covered materials on the list established in paragraph  
2 (5); and

3 (B) a list of exempt materials pursuant to federal  
4 or State health and safety requirements with respect  
5 to the materials or packaging being source reduced or  
6 made reusable, recyclable, or compostable;

7 (6) in developing the lists under subparagraphs (A)  
8 and (B) of paragraph (5), the following criteria are to be  
9 used:

10 (A) current availability of recycling and  
11 composting collection services;

12 (B) recycling and composting processing  
13 infrastructure;

14 (C) capacity and technology for sorting covered  
15 materials;

16 (D) whether a covered material is of a type and  
17 form that is regularly sorted and aggregated into  
18 defined streams for recycling processes or is included  
19 in a relevant Institute of Scrap Recycling Industries  
20 specification or its successors;

21 (E) availability of responsible markets;

22 (F) presence and amount of processing residuals  
23 and contamination;

24 (G) quantity of covered material estimated to be  
25 available and recoverable;

26 (H) projected future conditions for the criteria

1 in subparagraphs (A) through (G); and

2 (I) other criteria or factors, as determined by  
3 the Agency;

4 (7) post on the Agency's website:

5 (A) the most recent registration materials  
6 submitted by the producer responsibility  
7 organizations;

8 (B) a list of registered service providers;

9 (C) the most recent packaging program needs  
10 assessments;

11 (D) any packaging plan or amendment submitted by a  
12 packaging producer responsibility organization that is  
13 in draft form during the public comment period;

14 (E) the most recent recyclable or compostable  
15 covered lists established as required under this Act;

16 (F) the list of exempt materials as defined in  
17 this Act and covered materials exempt from performance  
18 targets as approved in the producer responsibility  
19 plan;

20 (G) links to producer responsibility organization  
21 websites;

22 (H) comments of the public, advisory board, and  
23 producer responsibility organizations on packaging  
24 producer plans and needs assessments, and, if any, the  
25 responses of the Agency to those comments; and

26 (I) links to adopted rules implementing this Act;

1           and

2           (8) review and determine whether to approve the  
3       selection of independent auditors to perform an annual  
4       financial audit of each producer responsibility  
5       organization.

6       Section 50. Packaging program needs assessments.

7       (a) Needs assessments are required as follows:

8           (1) By January 1, 2028, the packaging producer  
9       responsibility organization must complete any  
10      supplementary work to the needs assessment completed under  
11      Public Act 103-0383 such that the packaging producer  
12      responsibility organization has all information listed in  
13      subsection (b).

14          (2) By January 1, 2033, the packaging producer  
15      responsibility organization must provide an updated needs  
16      assessment every 5 years thereafter.

17          (3) The Agency may modify what the packaging producer  
18      responsibility organization is required to include in any  
19      required needs assessments.

20      (b) An initial needs assessment shall include:

21          (1) identification of currently or recently introduced  
22      covered materials and covered materials types;

23          (2) tons of collected covered materials;

24          (3) the characteristics of recycling and composting  
25      programs, including a description of single-stream and

1 dual-stream recycling systems offered in the State and  
2 prevalence of their use, average frequency of collection  
3 of covered materials for recycling and composting, types  
4 of collection containers used, commonly accepted materials  
5 for recycling and composting, and total costs by type of  
6 covered entity;

7 (4) processing capacity at recycling facilities,  
8 including total tons processed and sold, composition of  
9 tons processed and sold, current technologies utilized,  
10 and facility processing fees charged to collectors  
11 delivering covered materials for recycling;

12 (5) capacity of, technology used by, and  
13 characteristics of compost facilities to process and  
14 recover compostable covered materials;

15 (6) capacity and number of drop-off collection sites;

16 (7) capacity and number of transfer stations and  
17 transfer locations;

18 (8) average term length of residential recycling and  
19 composting collection contracts issued by political  
20 subdivisions and an assessment of contract cost  
21 structures;

22 (9) an estimate of total annual collection and  
23 processing service costs based on registered service  
24 provider costs;

25 (10) available markets in the State for covered  
26 materials and the capacity of those markets; and

1 (11) covered materials sales by volume, weight, and  
2 covered materials types introduced by producers.

3 (c) All subsequent needs assessment updates must include  
4 at least the following:

5 (1) an evaluation of:

6 (A) existing source reduction, reuse, recycling,  
7 and composting, as applicable, for each covered  
8 materials type, including collection rates, recycling  
9 rates, composting rates, reuse rates, and return  
10 rates, as applicable, for each covered materials type;

11 (B) overall recycling rate, composting rate, reuse  
12 rate, and return rate for all covered materials; and

13 (C) the extent to which postconsumer recycled  
14 content, by the best estimate, is or could be  
15 incorporated into each covered materials type, as  
16 applicable, including a review of market and technical  
17 barriers to incorporating postconsumer materials into  
18 covered materials and of whether for certain covered  
19 materials more recycled content has a net negative  
20 environmental impact;

21 (2) an evaluation of covered materials in the  
22 disposal, recycling, and composting streams to determine  
23 the covered materials types and amounts within each  
24 stream, using new studies conducted by the Agency or  
25 publicly available and applicable studies;

26 (3) proposals for reuse, recycling, composting rates

1       for each covered materials type that could reasonably be  
2       accomplished within a 5-year time frame in multiple units  
3       of measurement, including, but not limited to, unit-based,  
4       weight-based, and volume-based;

5       (4) recommended collection methods by covered  
6       materials type to maximize collection efficiency, maximize  
7       feedstock quality, and optimize service and convenience  
8       for collection of covered materials to be considered or  
9       that are included on lists established under this Act;

10       (5) proposed plans and metrics for how to measure  
11       progress in achieving performance targets;

12       (6) an inventory of the current system, including: (i)  
13       infrastructure, capacity, performance for the existing  
14       covered services for covered materials operating in the  
15       State; (ii) availability and cost of covered services for  
16       covered materials to covered entities and any other  
17       location where covered materials are introduced, including  
18       identification of disparities in the availability of these  
19       services in environmental justice areas compared with  
20       other areas and proposals for reducing or eliminating  
21       those disparities;

22       (7) an evaluation of investments needed to increase  
23       source reduction, reuse, recycling, and composting rates  
24       of covered materials to meet the proposed performance  
25       targets in this Act;

26       (8) an assessment of the viability and robustness of

1 markets for recyclable covered materials and the degree to  
2 which these markets can be considered responsible markets;

3 (9) an assessment of the level and causes of  
4 contamination of source-separated recyclable materials,  
5 source-separated compostable materials and collected  
6 reusables, and the impacts of contamination on service  
7 providers, including the cost to manage this  
8 contamination; and

9 (10) recommendations for meeting the criteria for an  
10 alternative collection program as established under this  
11 Act, and in every subsequent needs assessment after the  
12 initial needs assessment, a review of existing alternative  
13 collection programs for each covered material listed to  
14 determine if the program is meeting the criteria under  
15 this Act.

16 (d) In conducting a needs assessment, the packaging  
17 producer responsibility organization must:

18 (1) initiate a consultation process to obtain  
19 recommendations from the advisory board, political  
20 subdivisions, service providers and other interested  
21 parties regarding the type and scope of information that  
22 should be collected and analyzed in the needs assessment  
23 required by this Section;

24 (2) contract with a third party who is not a producer,  
25 a packaging producer responsibility organization, or a  
26 member of the advisory board to conduct the needs

1 assessment; and

2 (3) prior to finalizing the needs assessment, make the  
3 draft needs assessment available for comment by the  
4 advisory board, the Agency, and the public.

5 (e) Data requirements shall be as follows:

6 (1) A service provider or other person with data or  
7 information necessary to complete a needs assessment must  
8 provide the data or information to the packaging producer  
9 responsibility organization contractor conducting the  
10 needs assessment upon request.

11 (2) The packaging producer responsibility organization  
12 contractor conducting the needs assessment must aggregate  
13 and anonymize the data or information, excluding location  
14 data necessary to assess needs, received from all parties  
15 under this Section.

16 Section 55. Packaging producer program plan.

17 (a) By January 1, 2029, and every 5 years thereafter, a  
18 packaging producer responsibility organization must submit a  
19 packaging producer program plan to the Agency that describes  
20 the proposed operation by the organization of programs to  
21 fulfill the requirements of this Act and that incorporates the  
22 findings and results of needs assessments. If there is more  
23 than one packaging producer responsibility organization, they  
24 must coordinate to submit a single packaging producer program  
25 plan. Once approved, a packaging producer program plan remains



1 in effect for 5 years, as amended, or until a subsequent  
2 packaging producer program plan is approved.

3 (b) The first packaging producer program plan must be  
4 implemented by January 1, 2030; subsequent recycling refund  
5 program plans must be implemented within 6 months of approval  
6 by the Agency.

7 (c) A packaging producer responsibility organization must  
8 submit a draft packaging producer program plan or draft  
9 amendment to the advisory board prior to submitting the draft  
10 plan or draft amendment to the Agency and must, prior to  
11 submission of the draft plan or draft amendment to the Agency,  
12 respond to advisory board comments and recommendations  
13 received within 60 days of providing the draft program plan or  
14 draft amendment to the advisory board and indicate whether  
15 those comments or recommendations were accepted or rejected.

16 (d) A draft packaging producer program plan must include,  
17 at a minimum:

18 (1) performance targets established under this Act as  
19 applicable to each covered materials type to be  
20 accomplished within a 5-year period;

21 (2) proposed performance targets for reuse that are  
22 informed by the latest needs assessment, and the reuse  
23 performance target shall increase with each program plan;

24 (3) proposed performance targets for postconsumer  
25 recycled content for covered materials, including paper  
26 products, glass, metal, and plastic, that are informed by

1 the latest needs assessment, consider technical barriers,  
2 and consider health and safety requirements;

3 (4) a description of the methods of collection, how  
4 collection service convenience metrics will be met, and  
5 processing infrastructure and covered services to be used  
6 for each covered materials type at covered entities, at a  
7 minimum, and how these will meet the performance targets  
8 established for covered materials:

9 (A) included on the recyclable list established in  
10 this Act;

11 (B) included on the compostable list established  
12 in this Act;

13 (C) that are reusable covered materials managed  
14 through a reuse system.

15 (5) proposals for exemptions from performance targets  
16 for covered materials that cannot be source reduced or  
17 made reusable, recyclable, or compostable due to federal  
18 or State health and safety requirements, identifying the  
19 specific federal or State requirements and their impact on  
20 the covered materials;

21 (6) a description of how, for each covered materials  
22 type, the producer responsibility organization will  
23 measure recycling, reuse, composting, and the inclusion of  
24 postconsumer recycled content, including the relevant unit  
25 of measurement;

26 (7) third-party certifications as required by the

1 Agency or voluntarily undertaken;

2 (8) a budget identifying funding needs for each of the  
3 plan's 5 calendar years, producer fees, a description of  
4 the process used to calculate the fees, and an explanation  
5 of how the fees meet the requirements of this Act;

6 (9) a description of infrastructure investments,  
7 including goals and outcomes and a description of how the  
8 process to offer and select opportunities will be  
9 conducted in an open, competitive, and fair manner; how it  
10 will address gaps in the system not met by service  
11 providers; and potential financial and legal instruments  
12 to be used;

13 (10) an explanation of how the program will be paid  
14 for by the producer responsibility organization through  
15 fees from producers, without any new or additional  
16 consumer-facing fee to members of the public, businesses,  
17 service providers, the State or any political  
18 subdivisions, or any other person who is not a producer,  
19 unless the fee is:

20 (A) a deposit made in connection with a product's  
21 reuse, or recycling that can be redeemed by a  
22 consumer; or

23 (B) a charge for service by a service provider,  
24 regardless of whether registered;

25 (11) a description of activities to be undertaken by  
26 the producer responsibility organization during each year

1 to:

2 (A) foster the improved design of covered  
3 materials under this Act;

4 (B) provide funding to expand and increase the  
5 convenience of source reduction, reuse, collection,  
6 recycling, and composting services to covered  
7 entities, at a minimum according to the order of the  
8 U.S. Environmental Protection Agency waste management  
9 hierarchy;

10 (C) provide for contract rates under this Act to  
11 service providers for statewide coverage of covered  
12 services at an optimal level of convenience and  
13 service for covered materials on the list established  
14 in this Act, to covered entities, at a minimum; and

15 (D) monitor to ensure that postconsumer materials  
16 are delivered to responsible markets;

17 (11) include terms and conditions for service  
18 agreements with service providers and templates of the  
19 service agreements;

20 (12) performance standards for service providers as  
21 applicable to the service provided, including, but not  
22 limited to:

23 (A) accepting all covered materials on the  
24 recyclable or compostable list in this Act;

25 (B) labor standards and safety practices  
26 including, but not limited to, safety programs, health

benefits, and living wages; and

(C) meets operating standards, such as capture rates, residual rates, and bale quality;

(13) a description of how the packaging producer responsibility organization will treat and protect nonpublic data submitted by service providers;

(14) a description of how the packaging producer responsibility organization will provide technical assistance to service providers in order to assist them in delivering covered materials to responsible markets;

(15) a description of how the packaging producer responsibility organization will increase public awareness, educate, and complete outreach activities that include culturally responsive materials and methods and evaluate the efficacy of these efforts;

(16) proposed alternative collection programs;

(17) a description of how producers can purchase postconsumer materials from service providers at market prices if the producer is interested in obtaining recycled feedstock to achieve minimum postconsumer recycled content performance targets;

(18) a summary of consultations held with the advisory board and other interested parties to provide input to the producer responsibility plan, a list of recommendations that were incorporated into the producer responsibility plan as a result, and a list of rejected recommendations

1 and the reasons for rejection;

2 (e) The packaging producer responsibility organization may  
3 at any time submit an amendment request to the agency  
4 regarding the lists in paragraph 5 of Section 45.

5 Section 60. Recycling refund program plan.

6 (a) By January 1, 2028, and every 5 years thereafter, a  
7 recycling refund producer responsibility organization must  
8 submit a recycling refund program plan to the Agency that  
9 describes the proposed operation by the organization of the  
10 program to fulfill the requirements of this Act and that  
11 incorporates the findings and results of packaging program  
12 needs assessments conducted under this Act. If there is more  
13 than one recycling refund producer responsibility  
14 organization, they must coordinate to submit a single  
15 recycling refund program plan. Once approved, a recycling  
16 refund program plan remains in effect for 5 years, as amended,  
17 or until a subsequent recycling refund program plan is  
18 approved.

19 (b) The first recycling refund program plan must be  
20 implemented by January 1, 2029; subsequent recycling refund  
21 program plans must be implemented within 6 months of approval  
22 by the Agency.

23 (c) A recycling refund producer responsibility  
24 organization must submit a draft recycling refund producer  
25 program plan or draft amendment to the recycling refund

1 advisory board prior to submitting the draft plan or draft  
2 amendment to the Agency and must, prior to submission of the  
3 draft plan or draft amendment to the Agency, respond to  
4 recycling refund advisory board comments and recommendations  
5 received within 60 days of providing the draft program plan or  
6 draft amendment to the recycling refund advisory board and  
7 indicate whether those comments or recommendations were  
8 accepted or rejected.

9 (d) The recycling refund program plan must contain the  
10 following:

11 (1) a list of the types of covered beverage containers  
12 that will be included in the recycling refund program,  
13 which at a minimum must be beverage containers that are:

14 (A) bottles and cans made of rigid plastic, glass  
15 bottles, or metal; and

16 (B) have a capacity between 40 milliliters and one  
17 gallon;

18 (2) proposed targets and deadlines for reuse rates to  
19 be achieved;

20 (3) a description of the process that will be used by  
21 the recycling refund producer responsibility organization  
22 to meet performance targets for redemption and reuse as  
23 described in this Act;

24 (4) a description of the metrics that will be used to  
25 measure the performance targets;

26 (5) a description of how the proposed network of

1 redemption sites will:

2 (A) satisfy the convenience standards and  
3 addresses the evaluation criteria established in this  
4 Act; and

5 (B) provide sufficient opportunities for consumers  
6 of limited economic means to obtain their applicable  
7 refund value immediately upon redemption;

8 (6) a description of the process that will be used to  
9 remit to the recycling refund producer responsibility  
10 organization deposits collected from consumers;

11 (7) a description of the incentives the recycling  
12 refund producer responsibility organization will provide  
13 to retail establishments to encourage them to host covered  
14 beverage container collection mechanisms;

15 (8) a description of how the program will conduct  
16 outreach and provide convenient redemption:

17 (A) throughout the State;

18 (B) in rural, urban, and environmental justice  
19 areas; and

20 (C) to those persons that redeem relatively large  
21 amounts of covered beverage containers; and

22 (9) a description of how beverage containers will be  
23 labeled or how consumers will otherwise be made aware of  
24 the beverage containers that are eligible for the  
25 applicable refund value.



1       Section 65. Plan and amendment review and approval  
2 procedure. The review and approval procedure for plans and  
3 plan amendments shall be as follows:

4           (1) The Agency must review and approve, deny, or  
5 request additional information for draft recycling refund  
6 program plans, packaging producer program plans, and draft  
7 plan amendments no later than 120 days after the date of  
8 receipt by the Agency. The Agency must post a draft plan or  
9 draft amendment on the Agency's website and allow public  
10 comment for no less than 45 days before approving,  
11 denying, or requesting additional information on a draft  
12 plan or draft amendment.

13          (2) If the Agency denies or requests additional  
14 information for a draft plan or draft amendment, the  
15 Agency must provide the recycling refund producer  
16 organization and a producer responsibility organization  
17 with the reasons, in writing, that the plan or plan  
18 amendment does not meet the plan requirements in this Act.  
19 The recycling refund producer organization or a packaging  
20 producer responsibility organization has 60 days from the  
21 date that the rejection or request for additional  
22 information is received to submit to the Agency any  
23 revisions or additional information necessary for the  
24 approval of the draft plan or draft amendment. The Agency  
25 must review and approve or disapprove the draft plan or  
26 draft amendment no later than 60 days after the date the

1 Agency receives the revisions or additional information.

2 (3) A recycling refund producer organization or a  
3 packaging producer responsibility organization may  
4 resubmit a draft plan or draft amendment to the Agency on  
5 not more than 2 occasions. If after the second  
6 resubmission, the Agency determines that the draft plan or  
7 draft amendment does not meet the plan requirements of  
8 this Act, the Agency must modify the draft plan or draft  
9 amendment as necessary for it to meet the requirements of  
10 this Act and approve it.

11 Section 70. Coordination plan.

12 (a) The packaging producer responsibility organization and  
13 the recycling refund producer responsibility organization are  
14 to create a coordination plan to ensure that their respective  
15 programs are complementary, operate efficiently, and meet all  
16 targets.

17 (b) The coordination plan must:

18 (1) Ensure consistent education and outreach messaging  
19 to consumers;

20 (2) Ensure that a reciprocal compensation mechanism  
21 exists so that the recycling refund producer  
22 responsibility organization pays the packaging producer  
23 responsibility organization for covered beverage  
24 containers in material recovery facilities, and the  
25 packaging producer responsibility organization pays the

1 recycling refund producer responsibility organization for  
2 secondary packaging in the recycling refund system;

3 (3) Evaluate packages and formats managed by each  
4 program and consider opportunities for adding or moving  
5 packages from one program to the other;

6 (4) Evaluate opportunities to coordinate  
7 identification of, and efficient access to, processing  
8 infrastructure and markets; and

9 (5) Identify actions to jointly optimize  
10 infrastructure for reuse programs.

11 Section 75. Performance targets.

12 (a) The packaging producer responsibility organization is  
13 to achieve the following performance targets:

14 (1) After 2 years of program implementation:

15 (A) A collection rate that is greater than 50%;  
16 and

17 (B) A recycling rate that is greater than 40%.

18 (2) After 5 years of program implementation:

19 (A) A collection rate that is greater than 65%;  
20 and

21 (B) A recycling rate that is greater than 55%.

22 (3) Reuse rates of covered materials in an approved  
23 packaging producer program plan under this Act.

24 (4) Composting rates of covered materials in an  
25 approved packaging producer program plan under this Act.

1           (b)    The recycling refund producer responsibility  
2 organization must achieve the following performance targets:

3               (1) By the end of year 2 of the program, the redemption  
4 rate aggregated for all recycling refund covered materials  
5 must be greater than 65%.

6               (2) By the end of year 5 of the program, the redemption  
7 rate aggregated for all recycling refund covered materials  
8 must be greater than 85%.

9               (3) Achieve the reuse rate performance target in the  
10 approved recycling refund program plan.

11           (c) The measurement criteria for performance targets shall  
12 be as follows:

13               (1) For purposes of determining whether recycling  
14 performance targets are being met, except as modified by  
15 the Agency, the packaging producer responsibility plan  
16 must provide a methodology for measuring the amount of  
17 recycled material at the point at which material leaves a  
18 recycling facility and must account for:

19                   (A) levels of estimated contamination documented  
20 by the facility; and

21                   (B) any exclusions for fuel or energy capture.

22               (2) For purposes of determining whether reuse  
23 performance targets are being met, a producer  
24 responsibility plan must provide a methodology for  
25 measuring the amount of reusable covered materials at the  
26 point at which reusable covered materials meet the

1 following criteria as demonstrated by the producer and  
2 approved by the Agency:

3 (A) whether the average minimum number of cycles  
4 of reuses within a recognized reuse system has been  
5 met based on the number of times an item must be reused  
6 for it to have lower environmental impacts than the  
7 single-use alternatives of those items; and

8 (B) whether the demonstrated or research-based  
9 anticipated return rate of the covered material to the  
10 reuse system has been met.

11 (3) For purposes of determining whether postconsumer  
12 recycled content performance targets are being met, a  
13 producer responsibility plan must provide a methodology  
14 for measuring postconsumer recycled content across all  
15 producers for a covered materials type where producers may  
16 determine their postconsumer recycled content based on  
17 their United States market territory if State-specific  
18 postconsumer recycled content is impractical to determine.

19 (4) For other performance targets, the producer  
20 responsibility organization must propose methodologies for  
21 review and approval as part of the packaging producer  
22 responsibility plan and recycling refund producer  
23 responsibility plan.

24 (d) A packaging producer responsibility organization must  
25 implement an alternative collection program for covered  
26 materials included on an alternative collection list

1 established under this Act that:

2 (1) provides year-round, convenient, statewide  
3 collection opportunities, including at least one drop-off  
4 collection site located in each county;

5 (2) provides tiers of service for collection,  
6 convenience, number of drop-off collection sites, and  
7 additional collection systems based on county population  
8 size and county population density;

9 (3) ensures materials are sent to responsible markets;

10 (4) uses education and outreach strategies that can be  
11 expected to significantly increase consumer awareness of  
12 the program throughout the State; and

13 (5) accurately measures the amount of each covered  
14 material collected and the applicable performance target.

15 (e) The Agency, in consultation with an advisory board,  
16 may require that a packaging producer responsibility  
17 organization or recycling refund producer responsibility  
18 organization obtain and pay for a third-party certification of  
19 any activity or achievement required by this Act if a  
20 third-party certification is readily available, deemed  
21 applicable, and of reasonable cost. The Agency must provide a  
22 producer responsibility organization with notice of at least 6  
23 months prior to requiring use of third-party certification  
24 under this subsection.

25 Section 80. Producer fees.

1 (a) A packaging producer responsibility organization must  
2 annually collect a fee from each member producer that must:

3 (1) vary based on the total amount of covered  
4 materials each producer introduces in the prior year  
5 calculated on a per-unit basis, such as per ton, per item,  
6 or another unit of measurement;

7 (2) reflect the program costs for each covered  
8 materials type, net of commodity value for that covered  
9 materials type, as well as allocated fixed costs that do  
10 not vary based on covered materials type;

11 (3) create incentives to reduce environmental impacts,  
12 which may include:

13 (A) reducing the amount of:

14 (i) packaging per individual covered material  
15 that is necessary to efficiently deliver a product  
16 without damage or spoilage and without reducing  
17 its ability to be recycled; and

18 (ii) paper used to manufacture individual  
19 paper products;

20 (B) increasing the amount of covered materials  
21 managed in a reuse system that are reused the number of  
22 times needed to have lower environmental impacts than  
23 the single-use alternatives of those items;

24 (C) increasing the proportion of postconsumer  
25 material in covered materials while considering  
26 technical limitations and net environmental impact of

1 using more postconsumer material; and

2 (D) enhancing the recyclability or compostability  
3 of a covered material;

4 (4) discourage using materials and design attributes  
5 in covered materials whose environmental impacts and human  
6 health impacts can be reduced by the methods listed under  
7 paragraph (3); and

8 (5) generate revenue sufficient to pay in full:

9 (A) the fee required under this Act;

10 (B) financial obligations to complete activities  
11 described in an approved packaging producer program  
12 plan including payments to service providers;

13 (C) the operating costs of the producer  
14 responsibility organization; and

15 (D) for establishment and maintenance of a  
16 financial reserve that is sufficient to operate the  
17 program in a fiscally prudent and responsible manner.

18 (b) The recycling refund producer responsibility  
19 organization annual fee requirements shall be as follows:

20 (1) Costs to pay the registration fee required in this  
21 Act and to meet the performance targets in this Act and  
22 convenience standards in this Act that exceed the amount  
23 retained through scrap value and unclaimed deposits are to  
24 be paid by producers as a material-specific fee that is:

25 (A) based on the cost to manage the material minus  
26 its scrap value, among other factors;



1 (B) modulated based on factors to reduce  
2 environmental impact, which may include:

3 (i) Use of domestically sourced, verified  
4 postconsumer recycled content;

5 (ii) Compliance with industry-accepted design  
6 for recyclability standards;

7 (iii) Use of labeling to encourage appropriate  
8 recycling behaviors;

9 (iv) Use of design factors that inhibit  
10 recyclability; and

11 (v) Use of materials that are not on the  
12 statewide recyclable covered materials list.

13 (2) The recycling refund producer responsibility  
14 organization must institute a flat fee structure for those  
15 beverage producers with less than \$2 million in revenue,  
16 or less than one ton of covered beverage container sold in  
17 the State.

18 (c) Revenue collected under this Section that exceeds the  
19 amount needed to pay the costs described in paragraph (5) of  
20 subsection (a), and subsection (b), must be used to improve or  
21 enhance program outcomes or to reduce producer fees according  
22 to provisions of an approved producer responsibility plan.

23 (d) Fees collected under this Section may not be used for  
24 lobbying.

25 Section 85. Website requirements.

1 (a) A packaging producer responsibility organization and a  
2 recycling refund producer responsibility organization must  
3 maintain a website that uses best practices for accessibility.

4 (b) Both the packaging producer responsibility  
5 organization and recycling refund producer responsibility  
6 organization websites must contain, at a minimum:

7 (1) information regarding a process that members of  
8 the public can use to contact the relevant producer  
9 responsibility organization with questions;

10 (2) the draft and approved producer responsibility  
11 plans and any draft and approved amendments;

12 (3) annual reports submitted to the Agency;

13 (4) a link to related administrative rules  
14 implementing this Act;

15 (5) the names of producers and brands that are not in  
16 compliance with this Act; and

17 (6) a list, updated at least monthly, of all member  
18 producers operating under the packaging producer  
19 responsibility plan or recycling refund producer  
20 responsibility plan.

21 (c) In addition to the requirements in subsection (b), the  
22 packaging producer responsibility organization website must  
23 have:

24 (1) a directory of all service providers operating  
25 under the packaging producer responsibility plan  
26 administered by the packaging producer responsibility

1 organization, grouped by location or political  
2 subdivision, and information about how to request service;

3 (2) information for State residents on what to do with  
4 materials on the recyclable and compostable lists;

5 (3) the list of exempt materials as defined in this  
6 Act and covered materials exempt from performance targets  
7 as approved in the packaging producer responsibility plan;

8 (4) current and all past needs assessments; and

9 (5) education materials on source reduction, reuse,  
10 recycling, and composting for producers and the general  
11 public.

12 (d) In addition to the requirements in subsection (b), the  
13 recycling refund producer responsibility organization website  
14 must have:

15 (1) the list of covered beverage containers that are  
16 redeemable for the applicable refund value in this Act;

17 (2) education materials on how to redeem covered  
18 beverage containers and the importance of recycling  
19 covered beverage containers; and

20 (3) a list and map of all redemption sites currently  
21 accepting covered beverage containers for a refund,  
22 including the hours each redemption site accepts covered  
23 beverage containers.

24 Section 90. Applicable refund value.

25 (a) The applicable refund value shall be as follows:

1           (1) Every covered beverage container sold or offered  
2           for sale in the State shall have a refund value of 10 cents  
3           beginning January 1, 2029.

4           (2) If a performance target was not met in the  
5           previous calendar year, the Agency may adopt rules  
6           providing a different refund value than the refund value  
7           provided under paragraph (1), so long as the modified  
8           refund value is not based on the type of beverage  
9           container, but no more than:

10           (A) once during any 10-year period in consultation  
11           with the recycling refund producer responsibility  
12           organization; and

13           (B) once during any 5-year period if there is a  
14           request from the recycling refund producer  
15           responsibility organization for a change in the refund  
16           amount.

17           (3) For covered beverage containers sold at retail,  
18           the retail establishment shall collect the refund value  
19           and remit it to the recycling refund producer  
20           responsibility organization.

21           (4) The charge for the refund value of covered  
22           beverage containers shall be separately stated on a  
23           receipt, invoice, or similar billing document given to the  
24           consumer.

25           (b) Excluding the material recovery facility and drop-off  
26           facility payments in this Section, the recycling refund

1 producer responsibility organization is not required to pay  
2 refunds on:

3 (1) A beverage container visibly containing or  
4 contaminated by a substance other than water, residue of  
5 the original contents, or ordinary dust;

6 (2) A beverage container that is crushed or broken or  
7 damaged to the extent that the brand appearing on the  
8 container cannot be identified;

9 (3) A beverage container that the recycling refund  
10 producer responsibility organization has reasonable  
11 grounds to believe was bought in another State; or

12 (4) A beverage container for which the recycling  
13 refund producer responsibility organization has reasonable  
14 grounds to believe a refund has already been given.

15 Section 95. Convenience standard for redemption of  
16 containers.

17 (a) The recycling refund producer responsibility  
18 organization must propose a convenience standard for  
19 redemption of containers in the recycling refund program plan  
20 that is based on the following:

21 (1) Ensure all consumers who pay a deposit have  
22 reasonably convenient opportunities to redeem; and

23 (2) Provide appropriately convenient and equitable  
24 access in both urban and rural areas.

25 (b) The Agency must evaluate the proposed convenience

1 standard based on the following criteria:

2 (1) Proximity to businesses that sell a high volume of  
3 covered beverages containers;

4 (2) Additional vehicle miles traveled;

5 (3) Car and public transportation access;

6 (4) Population density;

7 (5) Environmental justice areas;

8 (6) Average family income; and

9 (7) Needs of people collecting large amounts of  
10 covered beverage containers for primary or important  
11 supplemental income.

12 (c) If the recycling refund producer responsibility  
13 organization does not meet the convenience standards in an  
14 approved program plan 2 calendar years in a row, the Agency may  
15 initiate rulemaking to support a recycling refund producer  
16 responsibility organization's program plan amendment to  
17 achieve the convenience standards under this Act.

18 Section 100. Redemption system.

19 (a) The network for collecting qualifying covered beverage  
20 containers shall be as follows:

21 (1) The recycling refund producer responsibility  
22 organization must, at its own cost, install, operate, and  
23 maintain a network of covered beverage container  
24 collection mechanisms for consumers to redeem covered  
25 beverage containers for the applicable refund value per

1           this Act that satisfies:

2                   (A) the convenience standard in this Act; and

3                   (B) the performance targets in this Act.

4           (2) The network of covered beverage container  
5 collection mechanisms may include a mix of ways for  
6 consumers to redeem covered beverage containers including  
7 express redemption sites and full-service redemption sites  
8 at locations convenient to consumers such as nearby or in  
9 the parking lots of retailers that sell covered beverage  
10 containers, nonprofit organization facilities, and local  
11 government sites.

12           (3) The recycling refund producer responsibility  
13 organization may establish and dissolve partnerships with  
14 any organization or individual to enhance redemption  
15 network operations and better serve consumers.

16           (b) The recycling refund producer responsibility  
17 organization shall fairly compensate all locations hosting  
18 redemption sites for the space occupied by the covered  
19 beverage container collection mechanisms.

20           (c) A retail establishment has no obligation under this  
21 Act to host a covered beverage container processing mechanism.  
22 A retail establishment that chooses to host a redemption site  
23 is eligible to have a self-serve kiosk, located at the retail  
24 establishment at no charge by the recycling refund producer  
25 responsibility organization, to facilitate the printing of  
26 redemption vouchers, and pay the value of redemption vouchers

1 to consumers that can be used on the premises. The recycling  
2 refund producer responsibility organization shall reimburse  
3 retailers for the value of valid vouchers redeemed by  
4 customers.

5 (d) Requirements for standard bags for bag drop shall be  
6 as follows:

7 (1) A retail establishment larger than 20,000 square  
8 feet must sell bags for the redemption program at the  
9 price established by the recycling refund producer  
10 responsibility organization.

11 (2) If the standard bags for the bag-drop program are  
12 made of plastic film, the recycling refund producer  
13 organization must:

14 (A) ensure that the bags have a minimum of 50%  
15 postconsumer recycled content;

16 (B) demonstrate, upon request of the Agency, that  
17 the waste film from the bags is being recycled at  
18 responsible end-markets; and

19 (C) include instructions on the bag how the bag  
20 should be utilized and recycled through a drop-off  
21 program.

22 (3) The recycling refund producer organization must  
23 credit the cost of any required bag purchase back to the  
24 customer when the bag is returned and processed through  
25 the deposit return system.



1       Section 105. Use of unredeemed deposits. Any deposits that  
2       are not returned to the consumer are to be spent only by the  
3       recycling refund producer organization and only for one or  
4       more of the following purposes:

5               (1) education and outreach activities to encourage  
6       redemption activity;

7               (2) increasing the number of redemption sites; and

8               (3) other activities that are described in the  
9       recycling refund program plan that directly contribute to  
10      achieving the performance requirements described in this  
11      Act.

12      Section 110. Refund value to drop-off facilities and  
13      material recovery facilities. The following information is  
14      required, or the following information is relevant to the  
15      refund value to drop-off facilities and material recovery  
16      facilities:

17              (1) Beginning after the first full month that covered  
18      beverage containers are sold with the applicable refund  
19      value and ending once the packaging program begins, the  
20      recycling refund producer organization shall make a  
21      monthly payment directly to each material recovery  
22      facility and drop-off facility based on data submitted by  
23      each material recovery facility drop-off facility under  
24      this Act.

25              (2) The recycling refund producer responsibility

1 organization shall establish a quality standard for each  
2 material.

3 (3) On a monthly basis, the operator of a material  
4 recovery facility and drop-off facility shall submit the  
5 following information to the recycling refund producer  
6 responsibility organization: (i) the number of tons of  
7 covered beverage containers the facility received for  
8 processing in the previous month by material; and (ii) the  
9 number of tons of covered beverage containers the facility  
10 transferred to additional materials processing or  
11 end-markets in the previous month by material;

12 (4) The recycling refund producer organization must  
13 convert the material tons to unit equivalent using a  
14 methodology that is published on its website and developed  
15 in consultation with material recovery facilities.

16 (5) The recycling refund producer organization shall  
17 pay each material recovery facility and drop-off facility  
18 at least 50% of the refund value for each covered beverage  
19 container that the material recovery facility transferred  
20 to additional materials processing or end-markets and that  
21 meets the quality standard in paragraph (2).

22 (6) Material recovery facilities must share the  
23 payments with their customers consistent with their supply  
24 agreements so that communities and generators receive the  
25 appropriate amount of the refund values paid to material  
26 recovery facilities and drop-off facilities.

1           (7) The operators of material recovery facilities and  
2           drop-off facilities shall use an industry-standard scale  
3           to measure the weight of all covered beverage container  
4           materials that enter the facility.

5           (8) The recycling refund producer responsibility  
6           organization may conduct quarterly audits on the quality  
7           and quantity of the material recovery facilities' and  
8           drop-off facilities' material upon request by the  
9           organization and at the organization's expense.

10          (9) The recycling refund producer responsibility  
11          organization may choose to partner with a material  
12          recovery facility or drop-off facility to provide space  
13          and install the necessary equipment to co-locate a  
14          recycling refund processing facility in the same vicinity.

15          (10) Monthly payments to the material recovery  
16          facilities and drop-off facilities shall end following the  
17          end of the first packaging producer program plan period.

18          Section 115. Reporting.

19          (a) Packaging producer responsibility organization annual  
20          report requirements shall be as follows:

21               (1) By June 1, 2030, and annually thereafter, a  
22               packaging producer responsibility organization shall  
23               submit a report to the Agency that contains, at a minimum,  
24               the following information for the previous calendar year:

25                       (A) the amount of covered materials introduced, by

1 each covered materials type, reported in the same  
2 units used to establish fees under this Act;

3 (B) progress made toward the performance targets  
4 reported in the same units used to establish producer  
5 fees under this Act and reported statewide, including:  
6 (i) the amount of covered materials successfully  
7 source reduced, reused, recycled, and composted by  
8 covered materials type and the strategies or  
9 collection method used; and (ii) information about  
10 third-party certifications obtained;

11 (C) the total cost to implement the program and a  
12 detailed description of program expenditures by  
13 category, including: (i) the total amount of producer  
14 fees collected; (ii) a description of infrastructure  
15 investments made; and (iii) a breakdown of payments by  
16 covered services, covered entities, and regions of the  
17 State;

18 (D) a copy of a financial audit of program  
19 operations conducted by an independent auditor  
20 approved by the Agency that meets the requirements of  
21 the Financial Accounting Standards Board's Accounting  
22 Standards Update 2016-14, Not-for-Profit Entities  
23 (Topic 958), as amended;

24 (E) a description of program performance problems  
25 that emerged in specific locations and efforts taken  
26 or proposed by the producer responsibility

1 organization to address them;

2 (F) a description of public awareness, education,  
3 and outreach activities undertaken, including any  
4 evaluations conducted of their efficacy;

5 (G) a summary of consultations held with the  
6 advisory board and how any feedback was incorporated  
7 into the report as a result, together with a list of  
8 rejected recommendations and the reasons for  
9 rejection;

10 (H) a list of producers found to be out of  
11 compliance with this Act and actions taken by the  
12 producer responsibility organization to return  
13 producers to compliance, and notification of any  
14 producers that are no longer participating in the  
15 producer responsibility organization or have been  
16 expelled due to their lack of compliance;

17 (I) proposed amendments to the producer  
18 responsibility plan to improve program performance or  
19 reduce costs, including changes to producer fees,  
20 infrastructure investments, or contract rates;

21 (J) recommendations for additions or removal of  
22 covered materials to or from the recyclable or  
23 compostable covered materials lists developed under  
24 this Act; and

25 (K) information requested by the Agency to  
26 evaluate the effectiveness of the program as it is

1 described in the producer responsibility plan and to  
2 assist with determining compliance with this Act.

3 (2) If there is more than one packaging producer  
4 responsibility organization, they must coordinate to  
5 submit a single annual report.

6 (3) Every fourth year after a packaging producer  
7 responsibility plan is approved by the Agency, a  
8 performance audit of the program must be completed by the  
9 packaging producer responsibility organization. The  
10 performance audit must conform to audit standards  
11 established by the United States Government Accountability  
12 Office; the National Association of State Auditors,  
13 Comptrollers, and Treasurers; or another nationally  
14 recognized organization approved by the Agency.

15 (b) Recycling refund producer responsibility organization  
16 annual report requirements shall be as follows:

17 (1) By June 1, 2030, and annually thereafter, the  
18 recycling refund producer responsibility organization  
19 shall submit a report to the Agency that contains, at a  
20 minimum, the following information for the previous  
21 calendar year:

22 (A) covered beverage containers included in the  
23 program sold in the State, by material type;

24 (B) covered beverage containers redeemed and  
25 recycled through the program, by material type;

26 (C) redemption sites and processing facilities;

1           (D) verification of materials handled at  
2 responsible end-markets;

3           (E) audited financial reports, including sources  
4 and uses of funds; and

5           (F) an evaluation of convenience of the program  
6 with the same criteria the Agency must use under this  
7 Act.

8           (2) If there is more than one recycling refund  
9 producer responsibility organization, they must coordinate  
10 to submit a single annual report.

11          (c) The recycling refund producer responsibility  
12 organization and packaging producer responsibility  
13 organization that submits information or records to the Agency  
14 under subsections (a) and (b) may request that a portion of the  
15 information or records be made available only for the  
16 confidential use of the Agency, the Director of the Agency, or  
17 the appropriate division of the Agency. The Director of the  
18 Agency shall give consideration to the request, and if the  
19 Director determines that this action is not detrimental to the  
20 public interest, the Director must grant the request for the  
21 information to remain confidential.

22          (d) All data reported by a packaging producer  
23 responsibility organization and a recycling refund producer  
24 responsibility organization under this Section must, at the  
25 request of the Agency no more than once annually, be audited by  
26 an independent third party. A packaging producer

1 responsibility organization or recycling refund producer  
2 responsibility organization is responsible for all costs  
3 associated with the data audit. Auditable data shall only  
4 include data held by a packaging producer responsibility  
5 organization or a recycling refund producer responsibility  
6 organization. Auditing of any data inputs to the packaging  
7 producer responsibility or recycling refund producer  
8 responsibility organization is the responsibility of the  
9 respective producer responsibility organization.

10 (e) A packaging producer responsibility organization or  
11 recycling refund producer responsibility organization that  
12 fails to meet a performance target required under this Act or  
13 approved in a producer responsibility plan must, within 90  
14 days of filing an annual report under this Section, file with  
15 the Agency an explanation of the factors contributing to the  
16 failure and propose an amendment to the producer  
17 responsibility plan specifying changes including in its  
18 operations that the packaging producer responsibility  
19 organization or recycling refund producer responsibility  
20 organization will make that are designed to achieve the  
21 performance targets and convenience standard.

22 (f) By October 15, 2032, and every 2 years thereafter, the  
23 Agency must submit a report to the Governor and to the General  
24 Assembly. The report must contain:

25 (1) a summary of the operations of this Act during the  
26 previous years including the performance targets versus



1 actual performance;

2 (2) a summary of the needs assessment;

3 (3) a link to reports filed under this Act;

4 (4) recommendations for policy, statutory, or  
5 regulatory changes to the program;

6 (5) an analysis of the impacts of exempting certain  
7 materials from the definition of covered materials and of  
8 exempting certain persons from the definition of producer;

9 (6) a list of efforts undertaken by the Agency to  
10 enforce and secure compliance with this Act; and

11 (7) any other information the Agency deems to be  
12 relevant.

13 (e) By April 1, 2030, and each year thereafter, each  
14 material recovery facility and drop-off facility that receives  
15 covered materials are to report annually to the packaging  
16 producer responsibility organization and the recycling refund  
17 producer responsibility organization and the Agency including  
18 the following information:

19 (1) Amount of material accepted by supplier and  
20 location of origin (municipality, service provider, or  
21 other);

22 (2) Amount of material sold to market, by commodity  
23 type;

24 (3) Amount of residue or waste generated; and

25 (4) Verification that end-markets are responsible and  
26 compliant with program requirements.

1       Section 120. Anticompetitive conduct. A packaging producer  
2       responsibility organization or a recycling refund producer  
3       responsibility organization that arranges collection,  
4       recycling, composting, source reduction, or reuse services  
5       under this Act may engage in anticompetitive conduct to the  
6       extent necessary to plan and implement collection, recycling,  
7       composting, source reduction, or reuse systems to meet the  
8       obligations under this Act, and is immune from liability under  
9       State laws relating to antitrust, restraint of trade, and  
10      unfair trade practices.

11      Section 125. Rulemaking. The Agency shall adopt rules to  
12      implement this Act.

13      Section 130. Enforcement and penalties.

14      (a) The Agency may administratively impose a civil penalty  
15      of up to \$1,000 per violation per day on any producer who  
16      violates this Act and up to \$10,000 per violation per day for  
17      the second and each subsequent violation.

18      (b) The Agency may administratively impose a civil penalty  
19      of up to \$1,000 per violation per day on any packaging producer  
20      responsibility organization or recycling refund producer  
21      responsibility organization that violates this Act and up to  
22      \$10,000 per violation per day for the second and each  
23      subsequent violation in any calendar year.

1           (c) The Agency may, in addition to assessing the penalties  
2 provided in subsections (a) and (b) of this Section, take any  
3 combination of the following actions:

4           (1) issue a corrective action order to a producer or a  
5 packaging producer responsibility organization or a  
6 recycling refund producer responsibility organization;

7           (2) issue an order to a packaging producer  
8 responsibility organization or a recycling refund producer  
9 responsibility organization to provide for the continued  
10 implementation of the program in the absence of an  
11 approved plan;

12           (3) revoke the producer responsibility organization's  
13 plan approval and require resubmittal of a producer  
14 responsibility;

15           (4) require a producer responsibility organization to  
16 revise or resubmit a plan within a specified time frame;  
17 or

18           (5) require additional reporting related to the area  
19 of noncompliance.

20           (d) The Agency may assess a penalty on a person that  
21 continues to sell or distribute covered beverage containers of  
22 a producer that is in violation of this Act 60 days after  
23 receipt of the written warning under this Section. The amount  
24 of the penalty that the Agency may assess under this  
25 subsection is twice the value of the covered beverage  
26 containers sold in violation of this Act or \$500, whichever is

1 greater. The Agency must waive the penalty upon verification  
2 that the person has discontinued distribution or sales of the  
3 covered beverage containers within 30 days of the date the  
4 penalty is assessed.

5 (e) For a producer or producer responsibility organization  
6 out of compliance with the requirements of this Act, the  
7 Agency shall provide written notification and offer  
8 information. For the purposes of this Section, written  
9 notification serves as notice of the violation. The Agency  
10 must issue at least one notice of violation by certified mail  
11 prior to assessing a penalty and the Agency may only impose a  
12 penalty on a producer that has not met the requirements of this  
13 Act 60 days following the date the written notification of the  
14 violation was sent.

15 (f) The Agency shall adopt rules providing for an  
16 administrative proceeding in which a penalty under this  
17 Section may be imposed. All final administrative decisions  
18 under this Act or rules adopted under this Act shall be subject  
19 to judicial review pursuant to the Administrative Review Law,  
20 as amended, and the rules adopted under it.

21 (g) The Attorney General may bring an action in the  
22 circuit court to enforce the collection of any monetary  
23 penalty imposed. Penalties levied under this Section must be  
24 deposited in the Recycling Refund Program Fund or Packaging  
25 Producer Responsibility Program Fund.

1       Section 135. Packaging Producer Responsibility Program  
2       Fund. The Packaging Producer Responsibility Program Fund is  
3       established as a special Fund in the State treasury.  
4       Appropriations and transfers to the account and fees collected  
5       under the packaging producer responsibility program, or as  
6       otherwise provided in this Act or rules adopted under this  
7       Act, must be credited to the Fund. Earnings, such as interest,  
8       dividends, and any other earnings arising from assets of the  
9       Fund, must be credited to the Fund. Moneys remaining in the  
10      Fund at the end of a fiscal year remains in the account until  
11      expended. Moneys from the Fund are appropriated in a  
12      continuing appropriation to the Agency to pay the reasonable  
13      costs of the Agency to administer this Act.

14       Section 140. Recycling Refund Program Fund.

15       (a) The recycling refund program account is established as  
16      a special Fund in the State treasury. All receipts received by  
17      the Agency under this Act or rules adopted under this Act must  
18      be deposited in the Fund, except as provided in this Act or  
19      rules adopted under this Act.

20       (b) Expenditures from the Fund may be used by the Agency  
21      only for implementing, administering, and enforcing the  
22      requirements of this Act related to the recycling refund  
23      program. Only the Director of the Agency may authorize  
24      expenditures from the Fund. Moneys from the Fund are  
25      appropriated in a continuing appropriation to the Agency for

1 the purposes under this Section.

2 Section 800. The State Finance Act is amended by adding  
3 Sections 5.1030 and 5.1031 as follows:

4 (30 ILCS 105/5.1030 new)

5 Sec. 5.1030. The Packaging Producer Responsibility Program  
6 Fund.

7 (30 ILCS 105/5.1031 new)

8 Sec. 5.1031. The Recycling Refund Program Fund.