



Sen. Laura M. Murphy

Filed: 4/1/2025

10400SB0702sam001

LRB104 07000 BDA 24293 a

1 AMENDMENT TO SENATE BILL 702

2 AMENDMENT NO. _____. Amend Senate Bill 702 by replacing
3 everything after the enacting clause with the following:

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 Illinois Environmental Protection Agency.

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

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

16 "Beverage container" means any prepackaged container for

1 beverages.

2 "Beverage container collection mechanism" means any manual
3 or technological means by which empty covered beverage
4 containers are properly identified as part of processing a
5 consumer's refund.

6 "Brand" means a name, symbol, word, or mark that
7 identifies a product and attributes the product and its
8 components, including packaging, to the brand owner.

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

12 "Canter" means individuals who collect and redeem covered
13 beverage containers for critical income.

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

17 "Collection rate" means the amount of a covered material,
18 by covered materials type, collected by service providers and
19 transported for recycling or composting, divided by the total
20 amount of the type of a covered material, by covered materials
21 type, sold or distributed into the State by the relevant unit
22 of measurement in the approved program plan.

23 "Compostable material" means a covered material that:

24 (1) meets, and is labeled to reflect that it meets,
25 the American Society for Testing and Materials Standard
26 Specification for Labeling of Plastics Designed to be

1 Aerobically Composted in Municipal or Industrial
2 Facilities (D6400) or its successor;

3 (2) meets, and is labeled to reflect that it meets,
4 the American Society for Testing and Materials Standard
5 Specification for Labeling of End Items that Incorporate
6 Plastics and Polymers as Coatings or Additives with Paper
7 and Other Substrates Designed to be Aerobically Composted
8 in Municipal or Industrial Facilities (D6868) or its
9 successor;

10 (3) is composed of only wood without any coatings or
11 additives; or

12 (4) is composed of only paper without any coatings or
13 additives.

14 "Composting" means the controlled microbial degradation of
15 source-separated compostable materials to yield a humus-like
16 product.

17 "Composting rate" means the amount of compostable covered
18 material that is managed through composting, divided by the
19 total amount of compostable covered material sold or
20 distributed into the State by the relevant unit of measurement
21 in the approved program plan.

22 "Coordination plan" means the joint plan developed by the
23 packaging program producer responsibility organization and the
24 recycling refund producer responsibility organization.

25 "Covered beverage container" means any beverage container
26 subject to a recycling refund.

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

- 4 (1) a single-family residence;
- 5 (2) a multifamily residence;
- 6 (3) a public or private elementary or secondary
7 school;
- 8 (4) a nonprofit corporation with annual revenue of
9 less than \$35,000,000; and
- 10 (5) a State agency, political subdivision, public
11 area, public entity, or other governmental unit.

12 "Covered material" means packaging and paper products sold
13 or supplied in the State. "Covered material" does not include
14 exempt materials.

15 "Covered materials type" means paper, plastic, metal, or
16 any other specific type of covered material that:

- 17 (1) can be categorized based on distinguishing
18 chemical or physical properties, including properties that
19 allow it to be aggregated into a discrete commodity
20 category for purposes of reuse, recycling, or composting;
21 and

- 22 (2) is based on similar uses in the form of a product
23 or package.

24 "Covered services" means collecting, transferring,
25 transporting, sorting, processing, recovering, preparing, or
26 otherwise managing for purposes of source reduction, reuse,

1 recycling, or composting.

2 "De minimis producer" means a person that in the most
3 recent fiscal year:

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

6 (2) earned global gross revenues of less than
7 \$2,000,000.

8 "Drop-off facilities" means a specific area in the State
9 where individuals may bring household recyclable materials to
10 be sorted into material-specific receptacles.

11 "Environmental impact" means the impact of a covered
12 material on human health and the environment from extraction
13 and processing of the raw materials composing the covered
14 material through manufacturing; distribution; use; recovery
15 for reuse, recycling, or composting; and final disposal.

16 "Environmental justice area" means a census block group
17 with a low-income or minority population greater than twice
18 the statewide average.

19 "Executive director" means the executive director of the
20 packaging producer responsibility organization or recycling
21 refund producer responsibility organization.

22 "Exempt materials" means materials, or any portion of
23 materials, that:

24 (1) are packaging for infant formula, as defined in 21
25 U.S.C. 321(z);

26 (2) are packaging for medical food, as defined in 21

1 U.S.C. 360ee(b) (3);

2 (3) are packaging for a fortified oral nutritional
3 supplement used by persons who require supplemental or
4 sole-source nutrition to meet nutritional needs due to
5 special dietary needs directly related to cancer, chronic
6 kidney disease, diabetes, malnutrition, or failure to
7 thrive, as those terms are defined by the International
8 Classification of Diseases, Tenth Revision;

9 (4) are packaging for a product regulated as a drug or
10 medical device by the United States Food and Drug
11 Administration, including associated components and
12 consumable medical equipment;

13 (5) are packaging for medical equipment or a product
14 used in medical settings that is regulated by the United
15 States Food and Drug Administration, including associated
16 components and consumable medical equipment;

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

25 (7) are packaging for products regulated by the United
26 States Environmental Protection Agency under the federal

1 Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. 136
2 et seq.;

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

5 (9) are paper products used for a newspaper's print
6 publications, including supplements or enclosures, that
7 include content derived from primary sources related to
8 news and current events;

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

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

19 (12) are packaging that is being collected and
20 properly managed through a paint producer responsibility
21 program approved by the Agency;

22 (13) are exempt materials under this Act, as
23 determined by the Agency; or

24 (14) are covered materials that:

25 (A) a producer distributes to another producer;

26 (B) are subsequently used to contain a product,

1 and the product is distributed to a commercial or
2 business entity for the production of another product;
3 and

4 (C) are not introduced to a person other than the
5 commercial or business entity that first received the
6 product used for the production of another product.

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

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

19 "Independent auditor" means an independent and actively
20 licensed certified public accountant that is:

21 (1) retained by a producer responsibility
22 organization;

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

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

26 "Infrastructure investment" means an investment by a

packaging producer responsibility organization that funds:

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

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

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

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

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

"Lobby" or "lobbying" means the practice of promoting, opposing, or in any manner influencing or attempting to influence the introduction, defeat, or enactment of legislation before any legislative body; opposing or in any manner influencing the executive approval, veto, or amendment of legislation; or the practice of promoting, opposing, or in any manner influencing or attempting to influence the enactment, promulgation, modification, or deletion of regulations before any regulatory body. The term does not include providing public testimony before a legislative body or regulatory body or any committee thereof.

"Local government" means a county, city, or town, including any municipal corporation, quasi-municipal corporation, or special purpose district, or any office,

1 department, division, bureau, board, commission, or agency
2 thereof, or other local public agency.

3 "Low-income" means a household at or below 80% of the
4 median income level for a given county as determined annually
5 by the U.S. Department of Housing and Urban Development.

6 "Material recovery facility" means a facility in the State
7 that collects, compacts, repackages, sorts, or processes for
8 transport source separated material for the purpose of
9 recycling.

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

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

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

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

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

25 (5) Native Hawaiian or Other Pacific Islander (a
26 person having origins in any of the original peoples of

Hawaii, Guam, Samoa, or other Pacific Islands).

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

"Packaging" means a material type, such as paper, plastic, glass, metal, or multi-material, that is used to protect, contain, transport, or serve a product.

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

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

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

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

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

"Paper product" means a product made primarily from wood pulp or other cellulosic fibers but does not include bound

1 books or products that recycling or composting facilities will
2 not accept because of the unsafe or unsanitary nature of the
3 paper product. "Paper product" does not include exempt
4 materials.

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

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

13 (1) For an item sold in or with packaging at a physical
14 retail location in this State:

15 (A) If the item is sold in or with packaging that
16 includes a brand, the producer is the brand owner;

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

25 (C) If there is no person to which subparagraph
26 (A) or (B) of this paragraph (1) applies, the producer

1 is the person that is licensed to manufacture and sell
2 or offer for sale to consumers in this State an item
3 under the brand or trademark of another manufacturer
4 or person;

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

12 (E) If there is no person described in
13 subparagraph (A), (B), (C), or (D) of this paragraph
14 (1), the producer is the person that first distributes
15 the item in or into this State;

16 (2) For items sold or distributed in or into this
17 State via e-commerce, remote sale, or remote distribution:

18 (a) For packaging used to directly protect or
19 contain the item, the producer of the packaging is the
20 same as the producer identified under paragraph (1);
21 and

22 (b) For packaging used to ship the item to a
23 consumer, the producer of the packaging is the person
24 that packages the item to be shipped to the consumer;

25 (3) For packaging that is an item and is not included
26 in paragraphs (1) and (2), the producer of the packaging

1 is the person that first distributes the item in or into
2 this State;

3 (4) A person is the producer of an item or covered
4 product sold, offered for sale, or distributed in or into
5 this State, as defined in paragraphs (1) through (3),
6 except where a private label producer has mutually agreed
7 with a brand owner to accept responsibility as the
8 producer, and the private label producer has joined a
9 registered producer responsibility organization as the
10 responsible producer for that item; if a private label
11 producer accepts responsibility as the producer, the brand
12 owner must provide written certification of that
13 contractual agreement to the producer responsibility
14 organization; and

15 (5) If the producer described in paragraphs (1)
16 through (4) is a business operated wholly or in part as a
17 franchise, the producer is the franchisor, if that
18 franchisor has franchisees that have a commercial presence
19 within the State.

20 "Producer" does not include:

21 (1) Government entities; or
22 (2) Registered 501(c) (3) charitable organizations and
23 501(c) (4) social welfare organizations.

24 "Producer responsibility organization" means an
25 organization set up to carry out the responsibilities of
26 either the packaging program or the recycling refund program,

1 or both programs.

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

5 "Recycling" does not include:

6 (1) landfill disposal of packaging or paper products
7 or the residue resulting from the processing of packaging
8 or paper products at a materials recovery facility;

9 (2) use as alternative daily cover or any other
10 beneficial use at a landfill, incinerator, energy recovery
11 facility, or energy generation facility by means of
12 combustion; or

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

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

21 "Recycling refund" means a covered beverage container
22 redemption program that pays a per-unit refund value to
23 persons for covered beverage containers and collects and
24 processes covered beverage containers as described in this
25 Act.

26 "Recycling refund advisory board" means the recycling

1 refund advisory board established under this Act.

2 "Recycling refund processing facility" means a location
3 that is designated by the recycling refund producer
4 responsibility organization to receive, sort, and prepare
5 beverage containers collected through the system for recycling
6 or reuse.

7 "Recycling refund producer responsibility organization"
8 means a nonprofit corporation that is tax exempt under Section
9 501(c)(3) of the federal Internal Revenue Code created by a
10 group of recycling refund covered beverage containers
11 producers to implement activities under this Act.

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 "Recycling refund program plan" means a program plan
24 developed by the recycling refund producer responsibility
25 organization that is prepared and submitted to the Agency for
26 review and approval.

1 "Redemption site" means a public or private location that
2 provides beverage container redemption services.

3 "Responsible market" means a materials market that:

4 (1) reuses, recycles, composts, or otherwise recovers
5 materials and disposes of contaminants in a manner that
6 protects the environment and minimizes risks to public
7 health and worker health and safety;

8 (2) complies with all applicable federal, State, and
9 local statutes, rules, ordinances, and other laws
10 governing environmental, health, safety, and financial
11 responsibility;

12 (3) possesses all requisite licenses and permits
13 required by a federal or State agency or political
14 subdivision;

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

18 (5) minimizes adverse impacts to environmental justice
19 areas.

20 "Retail establishment" means any person, corporation,
21 partnership, business, facility, vendor, organization, or
22 individual that sells or provides merchandise, goods, or
23 materials directly to a consumer that engages in the sale of
24 beverages that are covered beverage containers intended for
25 consumption off-site.

26 "Return rate" means the amount of reusable covered

1 material, in aggregate or by individual covered materials
2 type, collected for reuse by a producer or service provider in
3 a calendar year, divided by the total amount of reusable
4 covered material, in aggregate or by individual covered
5 materials type, sold or distributed into the State by the
6 relevant unit of measurement in the approved program plan.

7 "Reusable" means capable of reuse.

8 "Reuse" means the return of a covered material to the
9 marketplace and the continued use of the covered material by a
10 producer or service provider when the covered material is:

11 (1) intentionally designed and marketed to be used
12 multiple times for its original intended purpose without a
13 change in form;

14 (2) designed for durability and maintenance to extend
15 its useful life and reduce demand for new production of
16 the covered material;

17 (3) supported by adequate logistics and infrastructure
18 at a retail location, by a service provider, or on behalf
19 of or by a producer, that provides convenient access for
20 consumers; and

21 (4) compliant with all applicable federal, State, and
22 local statutes, rules, ordinances, and other laws
23 governing health and safety.

24 "Reuse rate" means the share of units of a reusable
25 covered material sold or distributed into the State in a
26 calendar year that are demonstrated and deemed reusable in

1 accordance with an approved producer responsibility plan.

2 "Service provider" means an entity that provides covered
3 services for covered materials. "Service provider" includes a
4 political subdivision that provides or that contracts or
5 otherwise arranges with another party to provide covered
6 services for covered materials within its jurisdiction,
7 regardless of whether it provided, contracted for, or
8 otherwise arranged for similar services before the approval of
9 the applicable producer responsibility plan.

10 "Source reduction" means the design, manufacture,
11 acquisition, purchase, or use of materials or products to
12 reduce the amount of municipal waste before it enters the
13 municipal waste stream. This may be accomplished through the
14 redesign of manufacturing processes; redesign of products;
15 changes in consumers' purchasing decisions, use, and disposal
16 habits; and backyard composting.

17 "Third-party certification" means certification by an
18 accredited independent organization that a standard or process
19 required by this Act, or by a packaging producer program plan
20 or a recycling refund program plan approved under this Act,
21 has been achieved.

22 Section 10. Registration of producer responsibility
23 organizations and service providers.

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

(1) On or before April 1, 2026, producers must appoint:

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

(B) a single producer responsibility organization with (i) governance to separately implement the packaging producer program plan and the recycling refund program plan in a coordinated manner; and (ii) all the responsibilities under this Act of the packaging producer responsibility organization and the recycling refund producer responsibility organization.

(2) Both the packaging producer responsibility organization and the recycling refund producer responsibility organization, or the single producer responsibility organization, must register with the Agency on or before July 1, 2026, and annually on that same date thereafter by submitting the following:

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

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

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

(D) documentation demonstrating adequate financial responsibility and financial controls to ensure proper management of funds and payment of the registration fee required under this Section.

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

(1) On or before November 1, 2026, submit a one-time payment to the department, in lieu of a 2027 registration fee, in an amount determined by the department and communicated to each producer responsibility organization at least 60 days prior to the deadline for this initial payment, to cover the previously incurred costs and future estimated costs of the agency under this act from the effective date of this act through paying the annual registration fee required in subparagraph (2).

(2) Beginning January 1, 2028, as part of its annual registration with the Agency, a packaging producer responsibility organization and recycling refund producer responsibility organization must submit to the Agency a registration fee, as determined by the Agency. On or before September 1, 2027, and annually thereafter on September 1, the Agency must provide written notice to

1 registered producer responsibility organizations in
2 writing of the amount of the registration fee. If there
3 are 2 or more producer responsibility organizations
4 implementing the recycling refund program plan or the
5 packaging producer program plan, the coordinating body
6 described in this Section must equitably apportion payment
7 of the registration fee between all registered producer
8 responsibility organizations managing either program. The
9 registration fee must be set at an amount anticipated to
10 in the aggregate meet but not exceed the Agency's estimate
11 of the costs required to perform the Agency's duties as
12 described in this Act and to otherwise administer,
13 implement, and enforce this Act for the 12 months after
14 the registration date.

15 (3) The Agency must annually reconcile the fees paid
16 by a producer responsibility organization under this
17 subdivision with the actual costs incurred by the agency
18 by means of credits or refunds to or additional payments
19 required of a producer responsibility organization, as
20 applicable.

21 (c) After the first packaging producer responsibility plan
22 approved by the agency expires, the Agency may allow
23 registration of more than one packaging producer
24 responsibility organization if:

25 (1) producers of a covered materials type or a
26 specific covered material appoint a packaging producer

responsibility organization; or

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

(d) All fees received under this Section must be deposited into the Product Producer Responsibility Program Fund under this Act.

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

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

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

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

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

(5) establish, on or before September 1, 2026, an initial producer fee structure to fund the initial implementation of the program, to be used until the packaging producer responsibility organization has an approved program plan as required under this Act;

(6) collect producer fees;

(7) submit the reports required under this Act;

(8) ensure that producers operating under a packaging producer responsibility plan administered by the packaging producer responsibility organization comply with the requirements of the packaging producer responsibility plan and with this Act;

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

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

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

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

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

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

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

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

Section 20. Recycling refund producer responsibility organization duties. A recycling refund producer responsibility organization must:

- (1) register with the Agency;
- (2) submit a recycling refund producer plan;
- (3) implement recycling refund producer plans;
- (4) collect producer fees;
- (5) establish, on or before September 1, 2026, an initial producer fee structure to fund the initial implementation of the program, to be used until the recycling refund producer responsibility organization has approved program plan as required under this Act;
- (6) submit the reports required under this Act;
- (7) ensure that producers operating under a recycling refund program plan administered by the recycling refund producer responsibility organization comply with the requirements of the recycling refund program plan and with this Act;
- (8) expel a producer from the recycling refund producer responsibility organization if efforts to return the producer to compliance with the plan or with the requirements of this Act are unsuccessful;
- (9) notify the Agency when a producer has been

expelled;

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

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

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

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

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

Section 25. Advisory boards.

(a) The advisory boards are established as follows:

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

(2) The recycling refund advisory board is established to review all activities conducted by recycling refund

1 producer responsibility organizations under this Act and
2 to advise the Agency and recycling refund producer
3 responsibility organizations regarding the implementation
4 of this Act.

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

6 (1) The packaging program advisory board shall:

7 (A) convene its initial meeting on or before
8 January 1, 2027;

9 (B) consult with the Agency regarding the scope of
10 the needs assessments and provide written comments on
11 needs assessments;

12 (C) advise on the development of packaging
13 producer responsibility plans and amendments to
14 packaging producer responsibility plans;

15 (D) submit comments to packaging producer
16 responsibility organizations and to the Agency on any
17 matter relevant to the administration of this Act;

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

20 (F) comply with all other applicable requirements
21 of this Act.

22 (2) The recycling refund advisory board shall:

23 (A) convene its initial meeting on or before
24 January 1, 2027;

25 (B) review the recycling refund program plan and
26 provide comments to the recycling refund producer

responsibility organization, prior to the draft being issued as an official draft for public comment;

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

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

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

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

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

(A) two members representing manufacturers of covered materials or a statewide or national trade association representing those manufacturers;

(B) two members representing recycling facilities that manage covered materials;

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

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

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

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

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

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

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

(J) three members representing organizations of political subdivisions, with at least one member representing a political subdivision outside the metropolitan area;

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

(L) one member representing the Agency.

(2) By August 1, 2026, the Agency must establish and appoint the initial membership of the recycling refund advisory board. The membership of the recycling refund advisory board must consist of representatives of the following:

(A) one member representing local government;

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

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

(D) one member representing a processor;

(E) one member representing an environmental nonprofit organization;

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

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

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

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

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

(B) may not appoint members who are employees of a

1 producer required to be members of a producer
2 responsibility organization in this State under this
3 Act; and

4 (C) must endeavor to appoint members from all
5 regions of the State.

6 (4) A chair is elected by majority vote of present
7 members at the first meeting of each year at which quorum
8 is reached.

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

16 (e) A majority of advisory council member seats being
17 filled and a majority of nonvacant advisory board member seats
18 being present constitutes a quorum. Action by an advisory
19 board requires a quorum and a majority of those present and
20 voting. All members of an advisory board, except a member of an
21 advisory board appointed to represent the Agency are voting
22 members of the board.

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

26 (g) The Agency must provide administrative and operating

1 support to each advisory board, and the Agency may contract
2 with a third-party facilitator to assist in administering the
3 activities of each advisory board, including establishing a
4 website or landing page on the Agency website.

5 (h) An advisory board member must disclose any instance of
6 actual or perceived conflicts of interest at each meeting of
7 the advisory board at which recommendations regarding producer
8 responsibility plans, programs, operations, or activities are
9 made by an advisory board.

10 Section 30. Packaging producer responsibilities.

11 (a) After August 1, 2026, a producer must be a member of
12 one or more of the following given the covered materials it
13 introduces:

- 14 (1) packaging producer responsibility organization;
- 15 (2) a recycling refund producer responsibility
16 organization registered in this State; or
- 17 (3) the single producer responsibility organization
18 managing the packaging program and recycling refund
19 program.

20 (b) A producer must:

- 21 (1) implement the requirements of the packaging
22 producer responsibility plan and recycling refund producer
23 responsibility plan under which the producer operates;
- 24 (2) pay producer fees under this Act;
- 25 (3) provide necessary information for covered

1 materials to the packaging producer responsibility
2 organization and the recycling refund producer
3 responsibility organization at a frequency to be
4 determined by the producer responsibility organization;
5 and

6 (4) comply with all other applicable requirements of
7 this Act.

8 Section 35. Introduction and sales restrictions.

9 (a) Packaging producer restrictions are as follows:

10 (1) After January 1, 2030, no producer may sell in the
11 State covered materials, either separately or when used to
12 package another product, unless the producer enters into a
13 written agreement with a packaging producer responsibility
14 organization to operate under an approved packaging
15 producer responsibility plan.

16 (2) After January 1, 2033, no producer may sell in the
17 State covered materials unless covered services are
18 provided for the covered materials through a program in a
19 packaging producer responsibility plan approved by the
20 Agency, and the covered materials are:

21 (1) reusable and capable of being managed through
22 a reuse system that meets the reuse rate and return
23 rate required under this Act;

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

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

(3) A packaging producer responsibility organization may petition the Agency for a 2-year extension to comply with the requirements of paragraph (2). The Agency may approve the extension if the petition demonstrates that market or technical issues prevent a specific covered material from being considered reusable or included on the lists established under this Act. The packaging producer responsibility organization may petition the Agency for additional annual extensions if the packaging producer responsibility organization demonstrates that market or technical issues preventing compliance persist.

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

Section 40. Service providers.

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

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

(2) ensures that covered materials are sent to responsible markets; and

(3) provides documentation to the recycling refund producer responsibility organization and packaging producer responsibility organization on the amounts, covered materials types, and volumes of covered materials by covered service method.

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

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

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

(A) a producer may hold an ownership stake in infrastructure used to fulfill obligations under this

1 Act so long as the stake was held before enactment of
2 this Act and the ownership stake is fully disclosed by
3 the producer to the packaging producer responsibility
4 organization; or

5 (B) after a bidding process described in paragraph
6 (1) under which no service provider bids on the
7 contract, the packaging producer responsibility
8 organization or the recycling refund producer
9 responsibility organization may make infrastructure
10 investments identified under an approved packaging
11 producer responsibility plan or recycling refund
12 program plan to implement the requirements in this
13 Act.

14 (c) Contracting rates requirements are as follows:

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

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

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

(i) the number and type of covered entities;

(ii) population density;

(iii) collections methods employed;

(iv) distance traveled by collection vehicles
consolidation or transfer facilities; to reuse,
recycling, or composting facilities; and to
possible markets;

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

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

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

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

(C) the cost to:

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

(ii) manage contamination removed from collected covered material;

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

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

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

(4) Contract rates may be calculated per ton, by household, or by another unit of measurement under an

approved producer responsibility plan.

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

Section 45. Agency responsibilities. The Agency must:

(1) appoint the initial membership of the advisory board as required under this Act;

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

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

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

(5) by January 1, 2028, develop:

(A) a list of covered materials determined to be recyclable or compostable statewide through systems in which covered materials are commingled into a recyclables stream and a separate compostables stream.

These covered materials must be collected at an optimal level of service and convenience for covered

1 entities, at a minimum, wherever collection services
2 for mixed municipal solid waste are available;

3 (B) a list of covered materials determined to be
4 recyclable or compostable and collected statewide
5 through systems other than the system required for
6 covered materials on the list established in
7 subparagraph (A); and

8 (C) a list of exempt materials that a specific
9 federal or state health and safety requirement
10 prevents the packaging from being source reduced or
11 made reusable, recyclable, or compostable;

12 (6) in developing the lists under subparagraphs (A)
13 and (B) of paragraph (5), the following criteria is to be
14 used:

15 (A) current availability of recycling and
16 composting collection services;

17 (B) recycling and composting processing
18 infrastructure;

19 (C) capacity and technology for sorting covered
20 materials;

21 (D) whether a covered material is of a type and
22 form that is regularly sorted and aggregated into
23 defined streams for recycling processes or is included
24 in a relevant Institute of Scrap Recycling Industries
25 specification or its successors;

26 (E) availability of responsible markets;

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

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

(H) projected future conditions for the criteria in subparagraphs (A) through (G); and

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

(7) post on the Agency's website:

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

(B) a list of registered service providers;

(C) the most recent packaging program needs assessments;

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

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

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

(G) links to producer responsibility organization websites;

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

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

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

Section 50. Packaging program needs assessments.

(a) Needs assessments are required as follows:

(1) On or before January 1, 2028, the packaging producer responsibility organization must complete any supplementary work to the needs assessment completed under Public Act 103-0383 such that the packaging producer responsibility organization has all information listed in subsection (b).

(2) On or before January 1, 2033, the packaging producer responsibility organization must provide an updated needs assessment every 5 years thereafter.

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

(b) An initial needs assessment shall include:

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

(2) tons of collected covered materials;

(3) the characteristics of recycling and composting programs, including a description of single-stream and dual-stream recycling systems offered in the State and prevalence of their use, average frequency of collection of covered materials for recycling and composting, types of collection containers used, commonly accepted materials for recycling and composting, and total costs by type of covered entity;

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

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

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

(7) capacity and number of transfer stations and transfer locations:

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

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

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

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

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

(1) an evaluation of:

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

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

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

(2) an evaluation of covered materials in the

1 disposal, recycling, and composting streams to determine
2 the covered materials types and amounts within each
3 stream, using new studies conducted by the Agency or
4 publicly available and applicable studies;

5 (3) proposals for reuse, recycling, composting rates
6 for each covered materials type that could reasonably be
7 accomplished within a 5-year time frame in multiple units
8 of measurement, including, but not limited to, unit-based,
9 weight-based, and volume-based;

10 (4) recommended collection methods by covered
11 materials type to maximize collection efficiency, maximize
12 feedstock quality, and optimize service and convenience
13 for collection of covered materials to be considered or
14 that are included on lists established under this Act;

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

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

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

(8) an assessment of the viability and robustness of markets for recyclable covered materials and the degree to which these markets can be considered responsible markets;

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

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

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

(1) initiate a consultation process to obtain recommendations from the advisory board, political subdivisions, service providers and other interested parties regarding the type and scope of information that

1 should be collected and analyzed in the needs assessment
2 required by this Section;

3 (2) contract with a third party who is not a producer,
4 a packaging producer responsibility organization, or a
5 member of the advisory board to conduct the needs
6 assessment; and

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

10 (e) Data requirements shall be as follows:

11 (1) A service provider or other person with data or
12 information necessary to complete a needs assessment must
13 provide the data or information to the packaging producer
14 responsibility organization contractor conducting the
15 needs assessment upon request.

16 (2) The packaging producer responsibility organization
17 contractor conducting the needs assessment must aggregate
18 and anonymize the data or information, excluding location
19 data necessary to assess needs, received from all parties
20 under this Section.

21 Section 55. Packaging producer program plan.

22 (a) On or before January 1, 2029, and every 5 years
23 thereafter, a packaging producer responsibility organization
24 must submit a packaging producer program plan to the Agency
25 that describes the proposed operation by the organization of

1 programs to fulfill the requirements of this Act and that
2 incorporates the findings and results of needs assessments. If
3 there is more than one packaging producer responsibility
4 organization, they must coordinate to submit a single
5 packaging producer program plan. Once approved, a packaging
6 producer program plan remains in effect for 5 years, as
7 amended, or until a subsequent packaging producer program plan
8 is approved.

9 (b) The first packaging producer program plan must be
10 implemented on or before January 1, 2030; subsequent recycling
11 refund program plans must be implemented within 6 months of
12 approval by the Department.

13 (c) A packaging producer responsibility organization must
14 submit a draft packaging producer program plan or draft
15 amendment to the advisory board prior to submitting the draft
16 plan or draft amendment to the Agency and must, prior to
17 submission of the draft plan or draft amendment to the Agency,
18 respond to advisory board comments and recommendations
19 received within 60 days of providing the draft program plan or
20 draft amendment to the advisory board and indicate whether
21 those comments or recommendations were accepted or rejected.

22 (d) The content of the packaging producer program plan
23 shall be as follows:

24 (1) A draft packaging producer program plan must
25 include, at a minimum:

26 (A) performance targets established under this Act

1 as applicable to each covered materials type to be
2 accomplished within a 5-year period;

3 (B) proposed performance targets for reuse that
4 are informed by the latest needs assessment, and the
5 reuse performance target shall increase with each
6 program plan;

7 (C) proposed performance targets for post-consumer
8 recycled content for covered materials including paper
9 products, glass, metal, and plastic that are informed
10 by the latest needs assessment, consider technical
11 barriers, and consider health and safety requirements;

12 (D) a description of the methods of collection,
13 how collection service convenience metrics will be
14 met, and processing infrastructure and covered
15 services to be used for each covered materials type at
16 covered entities, at a minimum, and how these will
17 meet the performance targets established for covered
18 materials:

19 (i) included on the recyclable list
20 established in this Act;

21 (ii) included on the compostable list
22 established in this Act;

23 (iii) that are reusable covered materials
24 managed through a reuse system.

25 (E) proposals for exemptions from performance
26 targets for covered materials that cannot be source

reduced or made reusable, recyclable, or compostable due to federal or State health and safety requirements, identifying the specific federal or State requirements and their impact on the covered materials;

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

(G) third-party certifications as required by the Agency or voluntarily undertaken;

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

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

(J) an explanation of how the program will be paid for by the producer responsibility organization

1 through fees from producers, without any new or
2 additional consumer-facing fee to members of the
3 public, businesses, service providers, the State or
4 any political subdivisions, or any other person who is
5 not a producer, unless the fee is:

6 (i) a deposit made in connection with a
7 product's reuse, or recycling that can be redeemed
8 by a consumer; or

9 (ii) a charge for service by a service
10 provider, regardless of whether registered;

11 (K) a description of activities to be undertaken
12 by the producer responsibility organization during
13 each year to:

14 (i) foster the improved design of covered
15 materials, as under this Act;

16 (ii) provide funding to expand and increase
17 the convenience of source reduction, reuse,
18 collection, recycling, and composting services to
19 covered entities, at a minimum according to the
20 order of the U.S. Environmental Protection Agency
21 waste management hierarchy;

22 (iii) provide for contract rates under this
23 Act to service providers for statewide coverage of
24 covered services at an optimal level of
25 convenience and service for covered materials on
26 the list established in this Act, to covered

1 entities, at a minimum; and

2 (iv) monitor to ensure that postconsumer
3 materials are delivered to responsible markets;

4 (L) include terms and conditions for service
5 agreements with service providers and templates of the
6 service agreements;

7 (M) performance standards for service providers as
8 applicable to the service provided, including, but not
9 limited to:

10 (i) accepting all covered materials on the
11 recyclable or compostable list in this Act;

12 (ii) labor standards and safety practices
13 including, but not limited to, safety programs,
14 health benefits, and living wages; and

15 (iii) meets operating standards, such as
16 capture rates, residual rates, and bale quality;

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

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

25 (P) a description of how the packaging producer
26 responsibility organization will increase public

1 awareness, educate, and complete outreach activities
2 that include culturally responsive materials and
3 methods and evaluate the efficacy of these efforts;

4 (Q) proposed alternative collection programs;

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

10 (S) a summary of consultations held with the
11 advisory board and other interested parties to provide
12 input to the producer responsibility plan, a list of
13 recommendations that were incorporated into the
14 producer responsibility plan as a result, and a list
15 of rejected recommendations and the reasons for
16 rejection;

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

20 Section 60. Recycling refund program plan.

21 (a) On or before January 1, 2028, and every 5 years
22 thereafter, a recycling refund producer responsibility
23 organization must submit a recycling refund program plan to
24 the Agency that describes the proposed operation by the
25 organization of the program to fulfill the requirements of

1 this Act and that incorporates the findings and results of
2 packaging program needs assessments conducted under this Act.
3 If there is more than one recycling refund producer
4 responsibility organization, they must coordinate to submit a
5 single recycling refund program plan. Once approved, a
6 recycling refund program plan remains in effect for 5 years,
7 as amended, or until a subsequent recycling refund program
8 plan is approved.

9 (b) The first recycling refund program plan must be
10 implemented on or before January 1, 2029; subsequent recycling
11 refund program plans must be implemented within 6 months of
12 approval by the Department.

13 (c) A recycling refund producer responsibility
14 organization must submit a draft recycling refund producer
15 program plan or draft amendment to the recycling refund
16 advisory board prior to submitting the draft plan or draft
17 amendment to the Agency and must, prior to submission of the
18 draft plan or draft amendment to the Agency, respond to
19 recycling refund advisory board comments and recommendations
20 received within 60 days of providing the draft program plan or
21 draft amendment to the recycling refund advisory board and
22 indicate whether those comments or recommendations were
23 accepted or rejected.

24 (d) The recycling refund program plan must contain the
25 following:

26 (1) A list of the types of covered beverage containers

1 that will be included in the recycling refund program,
2 which at a minimum must be beverage containers that are:

3 (A) bottles and cans made of rigid plastic, glass
4 bottles, or metal; and

5 (B) have a capacity between 40 milliliters and one
6 gallon;

7 (2) Proposed targets and deadlines for reuse rates to
8 be achieved;

9 (3) How the recycling refund producer responsibility
10 organization will meet performance targets for redemption
11 and reuse as described in this Act;

12 (4) How the performance targets will be measured;

13 (5) How the proposed network of redemption sites:

14 (A) satisfies the convenience standards and
15 addresses the evaluation criteria established in this
16 Act; and

17 (B) provides sufficient opportunity for consumers
18 of limited economic means to get their applicable
19 refund value immediately upon redemption;

20 (6) How deposits collected from consumers will be
21 remitted to the recycling refund producer responsibility
22 organization;

23 (7) What incentives the recycling refund producer
24 responsibility organization will provide to retail
25 establishments so that they choose to host covered
26 beverage container collection mechanisms;

(8) How the program will conduct outreach and provide convenient redemption:

(A) throughout the State;

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

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

(9) How beverage containers will be labeled or consumers otherwise made aware of the beverage containers eligible for the applicable refund value.

Section 65. Plan and amendment review and approval procedure. Review and approval procedure shall be as follows:

(1) The Agency must review and approve, deny, or request additional information for draft recycling refund program plans, packaging producer program plans, and draft plan amendments no later than 120 days after the date the Agency receives it from a packaging producer responsibility organization or recycling refund producer responsibility organization. The Agency must post a draft plan or draft amendment on the Agency's website and allow public comment for no less than 45 days before approving, denying, or requesting additional information on a draft plan or draft amendment.

(2) If the Agency denies or requests additional information for a draft plan or draft amendment, the

1 Agency must provide the recycling refund producer
2 organization and a producer responsibility organization
3 with the reasons, in writing, that the plan or plan
4 amendment does not meet the plan requirements in this Act.
5 The recycling refund producer organization or a packaging
6 producer responsibility organization has 60 days from the
7 date that the rejection or request for additional
8 information is received to submit to the Agency any
9 revisions or additional information necessary for the
10 approval of the draft plan or draft amendment. The Agency
11 must review and approve or disapprove the draft plan or
12 draft amendment no later than 60 days after the date the
13 Agency receives the revisions or additional information.

14 (3) A recycling refund producer organization or a
15 packaging producer responsibility organization may
16 resubmit a draft plan or draft amendment to the Agency on
17 not more than 2 occasions. If after the second
18 resubmission, the Agency determines that the draft plan or
19 draft amendment does not meet the plan requirements of
20 this Act, the Agency must modify the draft plan or draft
21 amendment as necessary for it to meet the requirements of
22 this Act and approve it.

23 Section 70. Coordination plan.

24 (a) The packaging producer responsibility organization and
25 the recycling refund producer responsibility organization are

1 to create a coordination plan to ensure that their respective
2 programs are complementary, operate efficiently, and meet all
3 targets.

4 (b) The coordination plan must:

5 (1) ensure consistent education and outreach messaging
6 to consumers;

7 (2) ensure that a reciprocal compensation mechanism
8 exists so that the recycling refund producer
9 responsibility organization pays the packaging producer
10 responsibility organization for covered beverage
11 containers in material recovery facilities, and the
12 packaging producer responsibility organization pays the
13 recycling refund producer responsibility organization for
14 secondary packaging in the recycling refund system;

15 (3) evaluate packages and formats managed by each
16 program and consider opportunities for adding or moving
17 packages from one program to the other;

18 (4) evaluate opportunities to coordinate
19 identification of, and efficient access to, processing
20 infrastructure and markets; and

21 (5) identify actions to jointly optimize
22 infrastructure for reuse programs.

23 Section 75. Performance targets.

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

(1) After 2 years of program implementation:

(A) a collection rate that is greater than 50%;

and

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

(2) After 5 years of program implementation:

(A) a collection rate that is greater than 65%;

and

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

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

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

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

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

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

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

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

(1) For purposes of determining whether recycling performance targets are being met, except as modified by

1 the Agency, the packaging producer responsibility plan
2 must provide a methodology for measuring the amount of
3 recycled material at the point at which material leaves a
4 recycling facility and must account for:

5 (A) levels of estimated contamination documented
6 by the facility; and
7 (B) any exclusions for fuel or energy capture.

8 (2) For purposes of determining whether reuse
9 performance targets are being met, a producer
10 responsibility plan must provide a methodology for
11 measuring the amount of reusable covered materials at the
12 point at which reusable covered materials meet the
13 following criteria as demonstrated by the producer and
14 approved by the Agency:

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

20 (B) whether the demonstrated or research-based
21 anticipated return rate of the covered material to the
22 reuse system has been met.

23 (3) For purposes of determining whether postconsumer
24 recycled content performance targets are being met, a
25 producer responsibility plan must provide a methodology
26 for measuring postconsumer recycled content across all

1 producers for a covered materials type where producers may
2 determine their postconsumer recycled content based on
3 their United States market territory if State-specific
4 postconsumer recycled content is impractical to determine.

5 (4) For other performance targets, the producer
6 responsibility organization must propose methodologies for
7 review and approval as part of the packaging producer
8 responsibility plan and recycling refund producer
9 responsibility plan.

10 (d) A packaging producer responsibility organization must
11 implement an alternative collection program for covered
12 materials included on an alternative collection list
13 established under this Act that:

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

17 (2) provides tiers of service for collection,
18 convenience, number of drop-off collection sites, and
19 additional collection systems based on county population
20 size and county population density;

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

22 (4) uses education and outreach strategies that can be
23 expected to significantly increase consumer awareness of
24 the program throughout the State; and

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

11 Section 80. Producer fees.

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

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

18 (2) reflect the program costs for each covered
19 materials type, net of commodity value for that covered
20 materials type, as well as allocated fixed costs that do
21 not vary based on covered materials type;

24 (A) reducing the amount of:

25 (i) packaging per individual covered material

1 that is necessary to efficiently deliver a product
2 without damage or spoilage and without reducing
3 its ability to be recycled; and

4 (ii) paper used to manufacture individual
5 paper products;

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

10 (C) increasing the proportion of postconsumer
11 material in covered materials while considering
12 technical limitations and net environmental impact of
13 using more postconsumer material; and

14 (D) enhancing the recyclability or compostability
15 of a covered material;

16 (4) discourage using materials and design attributes
17 in covered materials whose environmental impacts and human
18 health impacts can be reduced by the methods listed under
19 paragraph (3); and

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

21 (A) the fee required under this Act;

22 (B) financial obligations to complete activities
23 described in an approved packaging producer program
24 plan including payments to service providers;

25 (C) the operating costs of the producer
26 responsibility organization; and

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

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

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

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

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

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

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

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

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

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

(2) The recycling refund producer responsibility organization must institute a flat fee structure for those

1 beverage producers with less than \$2 million in revenue,
2 or less than one ton of covered beverage container sold in
3 the State.

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

9 (d) Fees collected under this Section may not be used for
10 lobbying.

11 Section 85. Website requirements.

12 (a) A packaging producer responsibility organization and a
13 recycling refund producer responsibility organization must
14 maintain a website that uses best practices for accessibility.

15 (b) Both the packaging producer responsibility
16 organization and recycling refund producer responsibility
17 organization websites must contain, at a minimum:

18 (1) information regarding a process that members of
19 the public can use to contact the relevant producer
20 responsibility organization with questions;

21 (2) the draft and approved producer responsibility
22 plans and any draft and approved amendments;

23 (3) annual reports submitted to the Agency;

24 (4) a link to related administrative rules
25 implementing this Act;

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

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

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

(1) a directory of all service providers operating under the packaging producer responsibility plan administered by the packaging producer responsibility organization, grouped by location or political subdivision, and information about how to request service;

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

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

(4) current and all past needs assessments; and

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

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

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

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

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

Section 90. Applicable refund value.

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

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

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

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

(B) once during any 5-year period if there is a request from the recycling refund producer

responsibility organization for a change in the refund amount.

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

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

(b) Excluding the material recovery facility and drop-off facility payments in this Section, the recycling refund producer responsibility organization is not required to pay refunds on:

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

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

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

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

1 Section 95. Convenience standard for redemption of
2 containers.

3 (a) The recycling refund producer responsibility
4 organization must propose a convenience standard for
5 redemption of containers in the recycling refund program plan
6 that is based on the following:

7 (1) ensure all consumers who pay a deposit have
8 reasonably convenient opportunities to redeem; and

9 (2) provide appropriately convenient and equitable
10 access in both urban and rural areas.

11 (b) The Agency must evaluate the proposed convenience
12 standard based on the following criteria:

13 (1) proximity to businesses that sell a high volume of
14 covered beverages containers;

15 (2) additional vehicle miles traveled;

16 (3) car and public transportation access;

17 (4) population density;

18 (5) environmental justice areas;

19 (6) average family income; and

20 (7) needs of people collecting large amounts of
21 covered beverage containers for primary or important
22 supplemental income.

23 (c) If the recycling refund producer responsibility
24 organization does not meet the convenience standards in an
25 approved program plan 2 calendar years in a row, the

1 Department may initiate rulemaking to support a recycling
2 refund producer responsibility organization's program plan
3 amendment to achieve the convenience standards under this Act.

4 Section 100. Redemption system.

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

7 (1) The recycling refund producer responsibility
8 organization must, at its own cost, install, operate, and
9 maintain a network of covered beverage container
10 collection mechanisms for consumers to redeem covered
11 beverage containers for the applicable refund value per
12 this Act that satisfies:

13 (A) the convenience standard in this Act; and
14 (B) the performance targets in this Act.

15 (2) The network of covered beverage container
16 collection mechanisms may include a mix of ways for
17 consumers to redeem covered beverage containers including
18 express redemption sites and full-service redemption sites
19 at locations convenient to consumers such as nearby or in
20 the parking lots of retailers that sell covered beverage
21 containers, nonprofit organization facilities, and local
22 government sites.

23 (3) The recycling refund producer responsibility
24 organization may establish and dissolve partnerships with
25 any organization or individual to enhance redemption

1 network operations and better serve consumers.

2 (b) The recycling refund producer responsibility
3 organization shall fairly compensate all locations hosting
4 redemption sites for the space occupied by the covered
5 beverage container collection mechanisms.

6 (c) A retail establishment has no obligation under this
7 Act to host a covered beverage container processing mechanism.
8 A retail establishment that chooses to host a redemption site
9 is eligible to have a self-serve kiosk, located at the retail
10 establishment at no charge by the recycling refund producer
11 responsibility organization, to facilitate the printing of
12 redemption vouchers, and pay the value of redemption vouchers
13 to consumers that can be used on the premises. The recycling
14 refund producer responsibility organization shall reimburse
15 retailers for the value of valid vouchers redeemed by
16 customers.

17 (d) Requirements for standard bags for bag drop shall be
18 as follows:

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

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

26 (A) Ensure that the bags have a minimum of 50%

1 postconsumer recycled content;

2 (B) Demonstrate, upon request of the Agency, that
3 the waste film from the bags is being recycled at
4 responsible end markets; and

5 (C) Include instructions on the bag how the bag
6 should be used and recycled through a drop-off
7 program.

8 (3) The recycling refund producer organization must
9 credit the cost of any required bag purchase back to the
10 customer when the bag is returned and processed through
11 the deposit return system.

12 Section 105. Use of unredeemed deposits. Any deposits that
13 are not returned to the consumer are to only be spent by the
14 recycling refund producer organization and only on any of the
15 following purposes:

16 (1) Education and outreach activities to encourage
17 redemption activity;

18 (2) Increasing the number of redemption sites; and

19 (3) Other activities that are described in the
20 recycling refund program plan that directly contribute to
21 achieving the performance requirements described in this
22 Act.

23 Section 110. Refund value to drop-off facilities and
24 material recovery facilities. The following information is

1 required, or the following information is relevant to the
2 refund value to drop-off facilities and material recovery
3 facilities:

4 (1) Starting after the first full month that covered
5 beverage containers are sold with the applicable refund
6 value and ending once the packaging program begins, the
7 recycling refund producer organization shall make a
8 monthly payment directly to each material recovery
9 facility and drop-off facility based on data submitted by
10 each material recovery facility drop-off facility under
11 this Act.

12 (2) The recycling refund producer responsibility
13 organization shall establish a quality standard for each
14 material.

15 (3) On a monthly basis, the operator of a material
16 recovery facility and drop-off facility shall submit the
17 following information to the recycling refund producer
18 responsibility organization: (i) the number of tons of
19 covered beverage containers the facility received for
20 processing in the previous month by material; and (ii) the
21 number of tons of covered beverage containers the facility
22 transferred to additional materials processing or end
23 markets in the previous month by material;

24 (4) The recycling refund producer organization must
25 convert the material tons to unit equivalent using a
26 methodology that is published on its website and developed

1 in consultation with material recovery facilities.

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

8 (6) Material recovery facilities must share the
9 payments with their customers consistent with their supply
10 agreements so that communities and generators receive the
11 appropriate amount of the refund values paid to material
12 recovery facilities and drop-off facilities.

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

17 (8) The recycling refund producer responsibility
18 organization may conduct quarterly audits on the quality
19 and quantity of the material recovery facilities' and
20 drop-off facilities' material upon request by the
21 organization and at the organization's expense.

22 (9) The recycling refund producer responsibility
23 organization may choose to partner with a material
24 recovery facility or drop-off facility to provide space
25 and install the necessary equipment to co-locate a
26 recycling refund processing facility in the same vicinity.

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

Section 115. Reporting.

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

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

(A) the amount of covered materials introduced, by each covered materials type, reported in the same units used to establish fees under this Act;

(B) progress made toward the performance targets reported in the same units used to establish producer fees under this Act and reported statewide, including:

(i) the amount of covered materials successfully source reduced, reused, recycled, and composted by covered materials type and the strategies or collection method used; and (ii) information about third-party certifications obtained;

(C) the total cost to implement the program and a detailed description of program expenditures by category, including: (i) the total amount of producer fees collected; (ii) a description of infrastructure

1 investments made; and (iii) a breakdown of payments by
2 covered services, covered entities, and regions of the
3 State;

4 (D) a copy of a financial audit of program
5 operations conducted by an independent auditor
6 approved by the Agency that meets the requirements of
7 the Financial Accounting Standards Board's Accounting
8 Standards Update 2016-14, Not-for-Profit Entities
9 (Topic 958), as amended;

10 (E) a description of program performance problems
11 that emerged in specific locations and efforts taken
12 or proposed by the producer responsibility
13 organization to address them;

14 (F) a description of public awareness, education,
15 and outreach activities undertaken, including any
16 evaluations conducted of their efficacy;

17 (G) a summary of consultations held with the
18 advisory board and how any feedback was incorporated
19 into the report as a result, together with a list of
20 rejected recommendations and the reasons for
21 rejection;

22 (H) a list of producers found to be out of
23 compliance with this Act and actions taken by the
24 producer responsibility organization to return
25 producers to compliance, and notification of any
26 producers that are no longer participating in the

producer responsibility organization or have been expelled due to their lack of compliance;

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

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

(K) information requested by the Agency to evaluate the effectiveness of the program as it is described in the producer responsibility plan and to assist with determining compliance with this Act.

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

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

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

(1) On or before June 1, 2030 and annually thereafter, the recycling refund producer responsibility organization shall submit a report to the Agency that contains, at a minimum, the following information for the previous calendar year:

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

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

(C) Redemption sites and processing facilities;

(D) Verification of materials handled at responsible end markets;

(E) Audited financial reports, including sources and uses of funds; and

(F) An evaluation of convenience of the program with the same criteria the Agency must use under this Act.

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

(c) The recycling refund producer responsibility organization and packaging producer responsibility organization that submits information or records to the Agency under subsections (a) and (b) may request that a portion of the

1 information or records be made available only for the
2 confidential use of the Agency, the Director of the Agency, or
3 the appropriate division of the Agency. The Director of the
4 Agency shall give consideration to the request, and if the
5 Director determines that this action is not detrimental to the
6 public interest, the Director must grant the request for the
7 information to remain confidential.

8 (d) All data reported by a packaging producer
9 responsibility organization and a recycling refund producer
10 responsibility organization under this Section must, at the
11 request of the Agency no more than once annually, be audited by
12 an independent third party. A packaging producer
13 responsibility organization or recycling refund producer
14 responsibility organization is responsible for all costs
15 associated with the data audit. Auditable data shall only
16 include data held by a packaging producer responsibility
17 organization or a recycling refund producer responsibility
18 organization. Auditing of any data inputs to the packaging
19 producer responsibility or recycling refund producer
20 responsibility organization is the responsibility of the
21 respective producer responsibility organization.

22 (e) A packaging producer responsibility organization or
23 recycling refund producer responsibility organization that
24 fails to meet a performance target required under this Act or
25 approved in a producer responsibility plan must, within 90
26 days of filing an annual report under this Section, file with

1 the Agency an explanation of the factors contributing to the
2 failure and propose an amendment to the producer
3 responsibility plan specifying changes including in its
4 operations that the packaging producer responsibility
5 organization or recycling refund producer responsibility
6 organization will make that are designed to achieve the
7 performance targets and convenience standard.

8 (f) On or before October 15, 2032, and every 2 years
9 thereafter, the Agency must submit a report to the Governor
10 and to the General Assembly. The report must contain:

11 (1) a summary of the operations of this Act during the
12 previous years including the performance targets versus
13 actual performance;

14 (2) a summary of the needs assessment;

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

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

18 (5) an analysis of the impacts of exempting certain
19 materials from the definition of covered materials and of
20 exempting certain persons from the definition of producer;

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

23 (7) any other information the Agency deems to be
24 relevant.

25 (e) On or before April 1, 2030, and each year thereafter,
26 each material recovery facility and drop-off facility that

1 receives covered materials are to report annually to the
2 packaging producer responsibility organization and the
3 recycling refund producer responsibility organization and the
4 Agency including the following information:

5 (1) amount of material accepted by supplier and
6 location of origin (municipality, service provider, or
7 other);

8 (2) amount of material sold to market, by commodity
9 type;

10 (3) amount of residue or waste generated; and

11 (4) verification that end-markets are responsible and
12 compliant with program requirements.

13 Section 120. Anticompetitive conduct. A packaging producer
14 responsibility organization or a recycling refund producer
15 responsibility organization that arranges collection,
16 recycling, composting, source reduction, or reuse services
17 under this Act may engage in anticompetitive conduct to the
18 extent necessary to plan and implement collection, recycling,
19 composting, source reduction, or reuse systems to meet the
20 obligations under this Act, and is immune from liability under
21 State laws relating to antitrust, restraint of trade, and
22 unfair trade practices.

23 Section 125. Rulemaking. The Agency shall adopt rules to
24 implement this Act.

1 Section 130. Enforcement and penalties.

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

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

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

15 (1) issue a corrective action order to a producer or a
16 packaging producer responsibility organization or a
17 recycling refund producer responsibility organization;

18 (2) issue an order to a packaging producer
19 responsibility organization or a recycling refund producer
20 responsibility organization to provide for the continued
21 implementation of the program in the absence of an
22 approved plan;

23 (3) revoke the producer responsibility organization's
24 plan approval and require resubmittal of a producer
25 responsibility;

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

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

(d) The Agency may assess a penalty on a person that continues to sell or distribute covered beverage containers of a producer that is in violation of this Act 60 days after receipt of the written warning under this Section. The amount of the penalty that the Agency may assess under this subsection is twice the value of the covered beverage containers sold in violation of this Act or \$500, whichever is greater. The Agency must waive the penalty upon verification that the person has discontinued distribution or sales of the covered beverage containers within 30 days of the date the penalty is assessed.

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

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

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

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

1 Section 140. Recycling Refund Program Fund.

2 (a) The recycling refund program account is established as
3 a special Fund in the State treasury. All receipts received by
4 the Agency under this Act or rules adopted under this Act must
5 be deposited in the Fund, except as provided in this Act or
6 rules adopted under this Act.

7 (b) Expenditures from the Fund may be used by the Agency
8 only for implementing, administering, and enforcing the
9 requirements of this Act related to the recycling refund
10 program. Only the Director of the Agency may authorize
11 expenditures from the Fund. Moneys from the Fund are
12 appropriated in a continuing appropriation to the Agency for
13 the purposes under this Section.

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

16 (30 ILCS 105/5.1030 new)

17 Sec. 5.1030. The Packaging Producer Responsibility Program
18 Fund.

19 (30 ILCS 105/5.1031 new)

20 Sec. 5.1031. The Recycling Refund Program Fund.".