

# STATE OF NEW YORK

9493

## IN SENATE

July 5, 2022

Introduced by Sen. MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the environmental conservation law, in relation to establishing an extended producer responsibility program for packaging; and to amend the state finance law, in relation to establishing the packaging responsibility fund

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Article 27 of the environmental conservation law is amended  
2 by adding a new title 33 to read as follows:

3 TITLE 33

4 EXTENDED PRODUCER RESPONSIBILITY PROGRAM FOR PACKAGING

5 Section 27-3301. Definitions.

6 27-3303. Responsibilities of producers.

7 27-3305. Producer responsibility program plan.

8 27-3307. Collection and convenience.

9 27-3309. Responsibilities of the department.

10 27-3311. Funding mechanism.

11 27-3313. Non-reusable packaging reduction requirements.

12 27-3315. Recycling or post-consumer recycled material require-  
13 ments.

14 27-3317. Toxic substances in packaging.

15 27-3319. Biennial producer responsibility program report.

16 27-3321. Producer compliance information.

17 27-3323. Enforcement.

18 27-3325. Labeling.

19 27-3327. Regulations.

20 § 27-3301. Definitions.

21 As used in this title:

22 1. "Compost" means the biologically stable humus-like material derived  
23 from composting or the aerobic, thermophilic decomposition of organic  
24 matter but shall not mean sewage, septage, or materials derived from  
25 sewage or septage.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

LBD15702-01-2

1 2. "Compostable" means amenable to the controlled aerobic biological  
2 decomposition of organic matter through active management to produce  
3 compost as certified by a third-party certifier and accepted and proc-  
4 essed into compost by at least eighty percent of commercial compost  
5 facilities within the state.

6 3. "Curbside recycling" means a recycling program that serves residen-  
7 tial units, or schools, state or local agencies, or institutions where  
8 such entities were eligible to be served under a contract with a munici-  
9 pality by a municipality or a private sector hauler as of the effective  
10 date of this title, and such recycling program is operated by a munici-  
11 pality or pursuant to a contract with a municipality, private sector  
12 hauler, or other public agency or through approved solid waste manage-  
13 ment plans.

14 4. "Municipality" means a county, city, town, village, local public  
15 authority or public benefit corporation, or solid waste management  
16 district, that provides waste management services for a specific  
17 geographical area.

18 5. "Non-reusable packaging" means packaging material that does not  
19 meet the definition of "reusable".

20 6. "Packaging material" means any part of a package or container,  
21 regardless of recyclability or compostability, including but not limited  
22 to such material types as paper, plastic, glass or metal, that is used  
23 for the containment, protection, handling, delivery, transport, distrib-  
24 ution, and presentation of a product that is sold, offered for sale, or  
25 distributed in the state. Bags and secondary or transport packaging  
26 shall be included within this definition. Packaging material does not  
27 include:

28 (a) material, or a category of material, intended to be used for long-  
29 term storage or protection of a durable product that can be expected to  
30 be usable for that purpose for a period of at least five years as  
31 defined by the department pursuant to regulations;

32 (b) beverage containers subject to title 10 of this article;

33 (c) packaging that is reusable;

34 (d) medical devices and packaging which are included with products  
35 regulated as a drug, medical device or dietary supplement by the U.S.  
36 Food and Drug Administration under the Federal Food, Drug, and Cosmetic  
37 Act, 21 U.S.C. 321 et seq., sec. 3.2(e) of 21 U.S. Code of Federal Regu-  
38 lations or the Dietary Supplement Health and Education Act;

39 (e) animal biologics, including vaccines, bacterins, antisera, diag-  
40 nostic kits, and other products of biological origin, and other covered  
41 materials regulated by the United States Department of Agriculture under  
42 the Virus, Serum, Toxin Act, 21 U.S.C. 151-159; and

43 (f) packaging products used to contain substances hazardous to the  
44 environment, regulated pursuant to section 37-0103 of this chapter, or  
45 packaging products regulated by the federal Insecticide, Fungicide,  
46 and Rodenticide Act, 7 U.S.C. sec. 136 et seq. or other applicable  
47 federal law, rule or regulation.

48 7. "Post-consumer recycled material" means new material produced using  
49 material resulting from the recovery, separation, collection and repro-  
50 cessing of material that would otherwise be disposed of or processed as  
51 waste and that was originally sold for consumption. Post-consumer recy-  
52 clered material does not include post-industrial material or pre-consumer  
53 material, or material generated by means of combustion, incineration,  
54 pyrolysis, gasification, solvolysis, chemical recycling and any high-  
55 heat or chemical conversion process.

56 8. "Producer" means a person who:

1 (a) manufactures or uses in a commercial enterprise, sells, offers for  
2 sale, or distributes the packaging material in the state under the brand  
3 of the manufacturer; or

4 (b) if paragraph (a) of this subdivision does not apply, an entity  
5 that is not the manufacturer of the packaging material but is the owner  
6 or licensee of a trademark under which the packaging material is used in  
7 commercial enterprise, sold, offered for sale, or distributed in the  
8 state, whether or not the trademark is registered; or

9 (c) if paragraphs (a) and (b) of this subdivision do not apply, an  
10 entity that sells packaging in the state which is intended to be filled  
11 at the point of sale; or

12 (d) if paragraphs (a), (b) and (c) of this subdivision do not apply,  
13 an entity that imports the packaging material into the United States or  
14 the state for use in a commercial enterprise, sale, offer for sale, or  
15 distribution in the state.

16 "Producer" includes a franchisor of a franchise located in the state  
17 but does not include the franchisee operating that franchise.

18 9. "Readily-recyclable" means that the department has determined that  
19 the packaging material:

20 (a) can be sorted by entities that process recyclable material gener-  
21 ated in the state; and

22 (b) has a consistent market for purchase, as based on data from the  
23 prior two calendar years, meaning that with respect to a type of packag-  
24 ing material, entities processing recyclable material are willing to  
25 purchase full bales of that type of fully sorted packaging material in  
26 quantities equal to or in excess of the supply of that fully sorted  
27 packaging material. "Readily-recyclable" does not include packaging  
28 material that facilities accept in low qualities or sort out of material  
29 during additional processing steps or if facilities cannot sell a full  
30 bale due to a lack of market or inability to feasibly separate those  
31 materials during additional processing steps. Packaging material cate-  
32 gories or types shall not be considered readily-recyclable, generally  
33 recyclable, compostable, or reusable if they contain a toxic substance.

34 10. "Recycling" means the series of activities by which material is:

35 (a) collected, sorted, and processed; (b) converted into a raw materi-  
36 al with minimal loss of material quality; and (c) used in the production  
37 of a new product to replace the use of virgin materials, including the  
38 original material. "Recycling" does not include energy recovery or ener-  
39 gy generation by any means, including but not limited to combustion,  
40 incineration, pyrolysis, gasification, solvolysis, waste to fuel or any  
41 chemical conversion process, or landfill disposal of discarded material  
42 or discarded product component materials.

43 11. "Reusable" means:

44 (a) designed to be used repeatedly for a number of use cycles that  
45 exceeds the minimum number of times necessary to achieve the same over-  
46 all environmental impact as the non-reusable or disposable product it  
47 replaces, based on a life cycle assessment of the product's impacts from  
48 extraction through production and through disposal or end of life  
49 management;

50 (b) compliant with any statutory or regulatory requirements for toxic  
51 substances;

52 (c) safe for washing and sanitizing according to applicable state food  
53 safety laws; and

54 (d) capable of being recycled at the end of use, with the exception of  
55 ceramic products.

1 12. "Reuse and refill system" means a set of mechanisms designed to  
2 facilitate multiple uses of a reusable container, in order to, at a  
3 minimum, achieve the breakeven point for such reusable container. Mech-  
4 anisms may include, but are not limited to, deposits, incentives, curb-  
5 side collection, collection kiosks, refill stations, dishwashing facili-  
6 ties, and re-distribution networks.

7 13. "Toxic substance" means a chemical substance identified in section  
8 27-3317 of this title, or a chemical substance designated by the depart-  
9 ment on the basis of identification by a government entity and/or iden-  
10 tification on the basis of credible scientific evidence as being:

11 (a) a carcinogen, mutagenic, or reproductive or developmental toxic-  
12 cant;

13 (b) endocrine disruptor;

14 (c) damaging to the nervous system, immune system, or organs or caus-  
15 ing other systemic toxicity;

16 (d) persistent, bioaccumulative and toxic;

17 (e) highly persistent and highly mobile;

18 (f) persistent, mobile and toxic; or

19 (g) persistent and very bioaccumulative.

20 14. "Unit" means each discrete component of a package or container.

21 15. "Universal product code" or "UPC" shall have the same meaning as  
22 subdivision 13 of section 27-1003 of this article.

23 16. "Waste reduction" means any action which causes a net reduction in  
24 the generation of solid waste and includes, but is not limited to,  
25 reducing the use of nonrecyclable materials, replacing disposable mate-  
26 rials and products with reusable materials and products, reducing pack-  
27 aging, and increasing the efficiency of the use of materials. Waste  
28 reduction does not include replacing a recyclable material with a nonre-  
29 cyclable material or a material that is less likely to be recycled, and  
30 does not include a shift from a nonplastic material that currently is  
31 recyclable to a plastic material.

32 § 27-3303. Responsibilities of producers.

33 1. There is hereby established a packaging producer responsibility  
34 program by which producers, participating individually or collectively,  
35 shall be required to make changes to their product design to reduce  
36 packaging consumption and increase waste reduction, shall be required to  
37 pay fees based on the amount, by weight and type, of packaging material  
38 sold, offered for sale, or distributed for sale in the state and shall  
39 be responsible for packaging waste disposal.

40 2. The producer or producers shall provide all information necessary  
41 for the determination of the producer's payment obligations and the  
42 determination of the producer's compliance with respect to this title.

43 3. Within six months of the effective date of this title, the depart-  
44 ment, or a third party, shall conduct a statewide reduction, reuse and  
45 recycling needs assessment, hereafter "needs assessment", to identify  
46 barriers and opportunities for reducing, reusing, and recycling packag-  
47 ing. The needs assessment shall at a minimum include an evaluation of  
48 capacity costs, gaps and needs for the following factors:

49 (a) current barriers affecting the creation of reduction, reuse and  
50 refill programs;

51 (b) opportunities for the creation of reduction, reuse and refill  
52 programs;

53 (c) current municipal funding needs, both operational and capital,  
54 impacting recycling access and availability and reuse and refill;

55 (d) existing state statutory provisions and funding sources for recy-  
56 cling, reuse, reduction, and recovery;

1 (e) the existing collecting and hauling system for recyclable materi-  
2 als;

3 (f) opportunities to improve access to recycling;

4 (g) the capacity, cost, and needs associated with the collection and  
5 transportation of recyclable materials in the state;

6 (h) the processing capacity, market conditions, and infrastructure for  
7 recyclable materials in the state and regionally;

8 (i) current state packaging product recovery rates, recycling rates,  
9 and post-consumer recycled content rates, by material type;

10 (j) accounting of greenhouse gas emissions associated with collection,  
11 processing, and marketing of packaging products;

12 (k) an evaluation of state and regionally accepted recycling prac-  
13 tices;

14 (l) current barriers affecting equitable access to recycling and reuse  
15 programs;

16 (m) barriers to the marketability of recyclable materials generated in  
17 the state, and potential solutions;

18 (n) the amount, by weight, of material that is recycled by each recy-  
19 cling facility that accepts packaging material;

20 (o) consumer education needs for reuse and refill systems, recycling,  
21 and reducing contamination in collected recyclable material that reduces  
22 its suitability for recycling;

23 (p) the net cost of curbside collection, commercial collection, or  
24 transfer station operation, on-site processing cost for each readily-re-  
25 cyclable packaging material types, management cost of non-readily-re-  
26 cyclable packaging, transportation cost for each packaging material, and  
27 any other cost factors determined by the department;

28 (q) the availability of opportunities in the recycling and reuse  
29 systems for minority- and women-owned business enterprises; and

30 (r) the location of landfills, incinerators and transfer stations  
31 within the state, the socio-economic conditions where such facilities  
32 are sited and the permitted pollution levels at each facility.

33 3. The department shall be responsible for updating and revising the  
34 needs assessment every three years.

35 4. The department shall post the results of the needs assessment on  
36 its website and issue a report to the legislature.

37 § 27-3305. Producer responsibility program plan.

38 1. Within six months of the effective date of this title, each produc-  
39 er shall register with the department.

40 2. Within eighteen months of the effective date of this title, each  
41 producer, either individually or acting collectively, shall submit a  
42 producer responsibility program plan (hereinafter "plan") to the depart-  
43 ment for approval. A producer may satisfy its obligations under this  
44 title individually or collectively.

45 3. Each producer shall begin program implementation within six months  
46 after the date the plan is approved or no later than two years of the  
47 effective date of this title. If no plan is approved by that timeframe,  
48 the producer shall be subject to penalties for noncompliance.

49 4. Any person that becomes a producer after the effective date of this  
50 title shall submit an individual plan, or join with other producers,  
51 within six months and begin program implementation within six months of  
52 plan approval or be subject to penalties for noncompliance.

53 5. The submitted plan shall, at a minimum, address the following:

54 (a) Contact information, including the name, electronic and physical  
55 address, and telephone number of the authorized representative of the  
56 producer or producers.

1 (b) Identify the producer or producers participating in the plan.

2 (c) A description of how the non-reusable packaging reduction require-  
3 ments and recycling or post-consumer recycled material requirements are  
4 addressed.

5 (d) A comprehensive list of the types and brands of packaging products  
6 for which the producer or producers are responsible for, including the  
7 UPCs of the products associated with each type of packaging material.

8 (e) A description of the proposed funding mechanism, identified in  
9 section 27-3311 of this title that meets the requirements of this title  
10 and is sufficient to cover the cost of operating the program, updating  
11 the plan, and maintaining a financial reserve sufficient to operate the  
12 program in a fiscally prudent and responsible manner. At a minimum, the  
13 following funding mechanism details shall be provided in the plan:

14 (i) proposed program fees, listed by producer, which are based on an  
15 objective formula establishing a reimbursement rate, which covers obli-  
16 gations identified in the needs assessment and takes into account vari-  
17 able regional costs (including at a minimum those identified in clause  
18 (A) of subparagraph (iv) of this paragraph, for participating municipi-  
19 palities or private sector haulers, approved by the department.

20 (ii) program fees determined based on eco-modulation. For purposes of  
21 this title, "eco-modulation" shall provide that program charges are  
22 structured to provide producers with financial incentives that reward  
23 reduction of waste at the source and recycling compatibility innovations  
24 and practices, reward producers for reusable packaging products, includ-  
25 ing those that are contained within a reuse and refill system and that  
26 disincentivize designs or practices that increase costs of managing the  
27 packaging products.

28 (iii) the producer or producers may adjust charges to be paid by  
29 participating producers, or may include a credit, based on factors that  
30 affect system costs.

31 (iv) program fees shall also be variable based on:

32 (A) costs to provide recycling collection or other form of consumer  
33 service that is, at minimum, as convenient as the previous waste  
34 collection schema in the particular jurisdiction for all consumers;

35 (B) costs to process a producer's packaging products for sale to  
36 secondary material markets;

37 (C) whether the packaging product would typically be readily-recycla-  
38 ble except that as a consequence of the product's design, the product  
39 has the effect of disrupting recycling processes or the product includes  
40 labels, inks, or adhesives containing heavy metals that would contam-  
41 inate the recycling process;

42 (D) whether the packaging is specifically designed to be reusable or  
43 refillable, is contained within a reuse or refill system, and has a high  
44 reuse or refill rate;

45 (E) the commodity value of packaging products; and

46 (F) contributions to greenhouse gas emissions from the production,  
47 use, collection, processing, and marketing of the packaging product.

48 (f) A description of the process for participating municipalities or  
49 private sector haulers to recoup reasonable costs as established by the  
50 needs assessment from the producer, including, as applicable, any admin-  
51 istrative, sorting, collection, transportation, public education or  
52 processing costs if the producer uses services through a municipality or  
53 obtains such services from a private hauler;

54 (g) A description of the characteristics of each type of packaging  
55 material that are relevant to the eco-modulating factors set forth  
56 pursuant to section 27-3311 of this title.

1 (h) A description of the producer's or producers' public outreach  
2 education program for consumers and other stakeholders that will at a  
3 minimum:

4 (i) be designed to achieve the management goals of packaging products  
5 under this title, including the prevention of contamination of products;

6 (ii) incorporate, at a minimum, electronic, print, web-based and  
7 social media elements that municipalities could utilize at their  
8 discretion;

9 (iii) consult with municipalities and other stakeholders, coordinate  
10 with and assist local municipal programs, municipal contracted programs,  
11 solid waste collection companies, and other entities providing services,  
12 and develop and provide outreach and education to the diverse popu-  
13 lations in the state, including utilizing a variety of outreach and  
14 education tools and ensuring materials are widely accessible and avail-  
15 able in multiple languages;

16 (iv) label or mark packaging information in accordance with the  
17 requirements of section 27-3325 of this title;

18 (v) include details on the following components of the outreach and  
19 education program provided in the plan and make such details available  
20 to consumers and other stakeholders on the producer's or producers'  
21 public education program website:

22 (A) proper end-of-life management of packaging;

23 (B) the location and availability of recycling collection;

24 (C) how to prevent litter of packaging products; and

25 (D) a description of the process for answering stakeholder questions  
26 and resolving any issues.

27 6. A producer implementing an individual extended producer responsi-  
28 bility program or producers acting cooperatively shall undertake  
29 outreach, education, and communications that assist in attaining or  
30 exceeding the minimum post-consumer content, minimum recovery rates, and  
31 minimum recycling rates, as specified by the department in regulation.

32 7. No later than ninety days after the submission of the plan, the  
33 department shall determine whether to approve the plan as submitted;  
34 approve the plan with conditions; or deny the plan.

35 8. The department shall consider the following in determining whether  
36 to approve a plan:

37 (a) whether the plan adequately addresses all elements described in  
38 this section;

39 (b) whether the producer or producers have undertaken satisfactory  
40 consultation with the public and municipalities and have provided an  
41 opportunity for input in the development of the plan prior to submission  
42 of the plan;

43 (c) whether the plan adequately provides for:

44 (i) the producer or producers collecting and funding the costs of  
45 collecting and processing packaging materials covered by the plan and  
46 reimbursing municipalities or private haulers providing such services;

47 (ii) the funding mechanism to cover the entire cost of the producer or  
48 producers' program and whether such mechanism provides for an equitable  
49 distribution of funding;

50 (iii) an evaluation system for the program charge structure, which  
51 shall be evaluated on an annual basis and resubmitted to the department  
52 annually;

53 (iv) effective consumer outreach and education;

54 (v) whether the plan satisfactorily provides for how the producer or  
55 producers implementing an individual extended producer responsibility  
56 program will meet the minimum post-consumer content rates, recovery

1 rates, and recycling rates, which will create or enhance markets for  
2 recycled materials; and

3 (vi) whether the plan creates a convenient system for consumers to  
4 recycle packaging products that meets or exceeds the convenience crite-  
5 ria set forth in section 27-3307 of this title.

6 10. The department may deny a plan. (a) If a plan is denied, the  
7 department shall inform the producer or producers implementing an indi-  
8 vidual extended producer responsibility program in writing as to any  
9 deficiencies in such plan. The producer or producers implementing the  
10 plan shall amend and resubmit any denied plans for reconsideration with-  
11 in sixty days of notification of the denial of such plan. The department  
12 shall approve or deny such plan within thirty days of resubmission.

13 (b) If a plan is denied a second time, the department shall provide  
14 the producer or producers with direction for meeting any additional  
15 required elements of the plan it deems necessary. If such requirements  
16 are not met within thirty days, the producer or producers shall be  
17 subject to penalties for each day such plan is delayed.

18 11. The department may rescind the approval of an approved plan at any  
19 time for just cause. If a plan is rescinded, the department shall inform  
20 the producer or producers in writing as to any and all reasons why the  
21 plan was rescinded. The producer or producers implementing the plan  
22 shall amend and resubmit any rescinded plans for reconsideration within  
23 sixty days of such notification. The department shall approve or reject  
24 any such amended plan within thirty days of resubmission.

25 12. The producer or producers shall notify the department of any  
26 proposed modification to the program. If the department determines that  
27 the plan has been substantially modified, the producer or producers  
28 shall submit a proposed plan amendment describing the changes to the  
29 department within ninety days of the determination. Within ninety days  
30 of receipt of a proposed amended plan, the department shall determine  
31 whether the amended plan complies with this title. The department shall  
32 send a letter notifying the producer or producers of: (a) approval; or  
33 (b) disapproval, including the reasons for rejecting the plan. The  
34 producer or producers shall submit a revised plan within sixty days  
35 after receipt of the letter of disapproval.

36 13. The producer or producers shall reimburse the department annually  
37 at the time of annual reporting for all administrative costs associated  
38 with implementation and oversight of the program.

39 14. Beginning two calendar years following the effective date of this  
40 title, a producer shall not:

41 (a) sell, offer for sale, or distribute, in the state, a product  
42 contained, protected, delivered, presented or distributed in or using  
43 packaging material for which the producer has not complied with all  
44 applicable requirements of this title; or

45 (b) sell, offer for sale, or distribute packaging for use in New York  
46 unless such packaging products are in compliance with all applicable  
47 requirements of this title.

48 15. No person may charge a consumer point-of-sale or point of  
49 collection fee to recoup the costs associated with meeting the obli-  
50 gations under this title.

51 16. A producer or producers shall annually report to the department:

52 (a) the total amount of packaging material, by weight, sold, offered  
53 for sale, or distributed into the state by the producer or producers in  
54 the prior calendar year;

1 (b) the total amount of packaging material, by unit, sold, offered for  
2 sale, or distributed into the state by the producer or producers in the  
3 prior calendar year;

4 (c) the percentage of all packaging material the producer or producers  
5 sold, offered for sale, or distributed for sale in the state through  
6 internet transactions; and

7 (d) the following financial information:

8 (i) the total costs of implementing the program, as determined by an  
9 independent financial audit;

10 (ii) a copy of the independent audit; and

11 (iii) a detailed description of whether the program compensates muni-  
12 cipalities, solid waste collection, sorting and processing facilities  
13 and other approved entities for their recycling efforts and other  
14 related services provided and any amount of reimbursement provided.

15 17. In accordance with the regulations adopted by the department, a  
16 producer or producers shall annually report to the department informa-  
17 tion necessary for the department to make a determination of the produc-  
18 er's or producers' compliance with:

19 (a) the non-reusable packaging reduction requirements of section  
20 27-3313 of this title;

21 (b) the reuse and refill system requirements of section 27-3313 of  
22 this title;

23 (c) the recycling or post-consumer recycled material requirements of  
24 section 27-3315 of this title;

25 (d) the toxic substances in packaging requirements of section 27-3317  
26 of this title; and

27 (e) the labeling requirements of section 27-3325 of this title.

28 18. Each producer shall pay fees, associated with the cost of the  
29 needs assessment required by section 27-3311 of this title.

30 19. Notwithstanding any provision of this title to the contrary, a  
31 producer shall be exempt from the requirements and prohibitions of this  
32 title:

33 (a) in any calendar year in which the producer realized less than two  
34 million dollars in total gross revenue during the prior calendar year;  
35 or

36 (b) in any calendar year in which the producer sold, offered for sale,  
37 or distributed for sale in the state during the prior calendar year  
38 packaging materials/products contained, protected, delivered, presented,  
39 or distributed in or using less than one ton of packaging material in  
40 total; or

41 (c) if the producer is a municipality.

42 20. A producer claiming an exemption under this section shall provide  
43 to the department sufficient information to demonstrate that the claim-  
44 ant meets the requirements for an exemption under this section within  
45 thirty days of receiving a request from the department.

46 § 27-3307. Collection and convenience.

47 A producer or producers shall provide for widespread, convenient, and  
48 equitable access to collection opportunities for the packaging materials  
49 identified under the producer or producers' plan at no additional cost  
50 to residents. Such opportunities shall be provided to all residents of  
51 New York in a manner that is as convenient as the collection of munic-  
52 ipal solid waste. A producer or producers shall ensure services continue  
53 for curbside recycling programs that a municipality serves as of the  
54 effective date of this title, either directly or through a contract to  
55 provide services, and that such services are continued through the  
56 plan. A plan may not restrict a resident's ability to contract directly

1 with third parties to obtain recycling collection services if residents  
2 have the option to enter into such contracts as of the effective date of  
3 this title, as long as the resident still voluntarily chooses to  
4 contract directly with the third party. A producer or producers may  
5 rely on a range of means to collect various categories of packaging so  
6 long as options for packaging material include curbside recycling  
7 collection services provided by municipal programs, municipal contracted  
8 programs, solid waste collection companies, or other approved entities  
9 as identified by the department if:

10 1. The category of packaging materials is suitable for residential  
11 curbside recycling collection and can be effectively sorted by the  
12 facilities receiving the curbside collected material.

13 2. The recycling facility providing processing and sorting service  
14 agrees to include the category of packaging materials as an accepted  
15 material.

16 3. The packaging material is not handled through a deposit and return  
17 scheme or buy back system that relies on a collection system other than  
18 curbside or multi-family collection.

19 4. The provider of the residential curbside recycling service agrees  
20 to participate.

21 5. (a) The producer or producers shall adopt a list of minimum types  
22 of readily recyclable materials and products based on the department's  
23 identification of available collection and processing infrastructure and  
24 recycling markets for packaging materials. The producer or producers  
25 shall update and adopt the list on an annual basis, in consultation with  
26 the department, in response to collection and processing improvements  
27 and changes in recycling end markets. If there are multiple lists, the  
28 department shall compile the lists and shall publish a compiled list  
29 to the public. Such lists may vary by geographic region depending on  
30 regional markets and regional collection and processing infrastructure.

31 (b) All municipalities or private recycling service providers shall  
32 provide for the collection and recycling of all identified materials and  
33 products contained on the list of minimum recyclables, based on  
34 geographic regions, in order to be eligible for reimbursement; provided,  
35 however, nothing shall penalize a municipality or private recycling  
36 service for packaging materials that are generated in the municipality  
37 or geographic region that are not included on the list of minimum types  
38 of recyclable packaging materials or products as long as it can be  
39 demonstrated that such materials have a market as determined by the  
40 department in consultation with the producer or producers. Reimbursement  
41 shall cover recycling of all packaging materials so long as the program  
42 includes at least the minimum recyclable list.

43 § 27-3309. Responsibilities of the department.

44 1. Within one year of the effective date of this title, the department  
45 shall promulgate regulations setting recommended program fees for  
46 producers to pay after consulting with multiple stakeholders, including  
47 municipalities, businesses, institutions, and other extended producer  
48 responsibility programs. Program fees shall be set at a rate that will  
49 drive reductions in overall packaging, incentivize adoption of reuse  
50 systems, increase post-consumer recycled material, and promote the use  
51 of recyclable packaging.

52 2. The department shall revise recommended program fees every three  
53 years, beginning three years after the first set of program fees is  
54 established to reflect new data received about material use and manage-  
55 ment, or whenever the targets set in sections 27-3313 and 27-3315 of  
56 this title are not met to drive compliance with such targets.

1 3. The department shall annually compile a list of any producer  
2 noncompliance, and the steps being taken to bring noncompliant producers  
3 into compliance.

4 4. The department shall annually provide a description of the infras-  
5 tructure and education investments made by producers in prior calendar  
6 years and an evaluation of how those investments were designed to  
7 increase access to recycling and refill or reuse systems in the state.

8 5. The department shall provide an annual assessment of the progress  
9 made toward the achievement of any program goals, including but not  
10 limited to the requirements under sections 27-3313 and 27-3315 of this  
11 title.

12 6. The department shall provide an annual assessment of the payment  
13 schedule adopted by producers pursuant to section 27-3311 of this title.

14 7. The department shall provide an annual assessment of whether the  
15 plan has been successful in increasing the amount of packaging material  
16 that is readily recyclable, increasing the transition from non-reusable  
17 to reusable packaging, and incentivizing improvements to the design of  
18 packaging material.

19 8. The department shall consider any proposals for changes to the  
20 program or investments in education and infrastructure designed to  
21 reduce the amount of packaging material used, increase access to recycl-  
22 ing, increase the recycling of or recyclability of packaging material,  
23 reduce program costs, or otherwise increase program efficiency, which  
24 may include an analysis of best practices for municipal recycling  
25 programs and material recovery facilities.

26 9. The department shall consider the results of representative inbound  
27 and outbound audits of recyclable material processed and sold by materi-  
28 als recycling facilities in the state and waste characterization of  
29 municipal solid waste.

30 10. The department shall review the results of a producers' third-par-  
31 ty financial audits.

32 § 27-3311. Funding mechanism.

33 1. The department shall promulgate regulations setting forth the  
34 manner in which recommended producer program fees on packaging materials  
35 shall be calculated. Payments shall be calculated based on:

36 (a) the packaging material type; and

37 (b) the quantity of each packaging material type, by weight, that the  
38 producer sells, offers for sale, or distributes in the state.

39 2. The list of packaging material types shall include, at a minimum,  
40 the following materials:

41 (a) paper;

42 (b) cardboard;

43 (c) corrugated cardboard;

44 (d) generic paper/cardboard;

45 (e) wood;

46 (f) glass;

47 (g) polyethylene terephthalate (PET);

48 (h) high density polyethylene (HDPE);

49 (i) expanded polystyrene (EPS);

50 (j) polystyrene;

51 (k) bio-plastics;

52 (l) generic plastics;

53 (m) plastic film;

54 (n) other plastics;

55 (o) steel or ferrous;

56 (p) aluminum;

- (q) tinfoil; and
- (r) generic metals.

3. (a) Program fees shall at a minimum include:

(i) costs to provide curbside collection or other form of residential service that is, at minimum, as convenient as curbside collection or as convenient as the previous recycling collection plan in the particular jurisdiction or as convenient as the previous refuse collection plan in the particular jurisdiction should recycling collection not be provided;

(ii) costs to process packaging materials for acceptance by secondary material markets;

(iii) whether the packaging materials would typically be readily-recyclable except that as a consequence of the product's design, the product has the effect of disrupting recycling processes or the product includes labels, inks, and adhesives containing heavy metals or other toxic substances that would contaminate the recycling process;

(iv) whether the packaging materials or product is specifically designed to be reusable or refillable and has high reuse or refill rate;

(v) the commodity value of a packaging material or product.

The charges shall be adjusted, or the producers may be provided a credit, based upon the percentage of post-consumer recycled material content and such percentage of post-consumer recycled content shall be verified by an independent third party approved to perform verification services to ensure that such percentage exceeds the minimum requirements in the packaging material, as long as the recycled content does not disrupt the potential for future recycling.

(b) Fees shall be higher for packaging material that is not readily-recyclable.

(c) The fees for each type of packaging material shall be eco-modulated and structured to promote the environmental beneficial packaging design in accordance with the following:

<u>Fees</u>	<u>Type of packaging</u>
<u>Fees are increased</u>	<u>Packaging is not readily-recyclable</u>
<u>Fees are lowered</u>	<u>Packaging is readily-recyclable</u>
	<u>Packing is compostable</u>
	<u>Packing incorporates post-consumer recycled material</u>
<u>No fee</u>	<u>Reusable or refillable packaging contained within a reuse/refill system</u>

§ 27-3313. Non-reusable packaging reduction requirements.

1. A producer shall reduce the total amount by unit, on average and in the aggregate, of non-reusable packaging across its brand in accordance with the following schedule:

(a) by ten percent two years after the implementation of the producer plan pursuant to section 27-3305 of this title;

(b) by at least twenty percent four years after plan implementation;

(c) by at least thirty percent six years after plan implementation;

(d) by at least forty percent eight years after plan implementation; and

(e) by at least fifty percent ten years after plan implementation.

2. The reductions required by subdivision one of this section shall be measured against the total amount of packaging the producer sold, offered for sale, or distributed for sale in the state during the respective calendar year. For producers who did not sell, offer for

1 sale, or distribute for sale any packaging during the calendar year, the  
2 reductions required by subdivision one of this section shall be measured  
3 against the first calendar year for which there is data regarding the  
4 amount of packaging the producer sold, offered for sale, or distributed  
5 for sale in the state.

6 3. These reductions may be achieved by eliminating non-reusable pack-  
7 aging, including secondary packaging, or by transitioning away from  
8 non-reusable packaging to a reuse and refill system.

9 4. The department shall promulgate regulations that address the manner  
10 in which each producer will report its compliance with the requirements  
11 of this section.

12 § 27-3315. Recycling or post-consumer recycled material requirements.

13 1. Each producer shall ensure that all non-reusable packaging in the  
14 aggregate, across its entire brand, either:

15 (a) is recycled at a rate consistent with the following schedule:

16 (i) fifty percent five years after implementation of the producer plan  
17 pursuant to section 27-3305 of this title;

18 (ii) eighty percent eight years after plan implementation;

19 (iii) ninety percent twelve years after plan implementation; or

20 (b) incorporates, on average and in the aggregate, the following  
21 amount by weight of post-consumer recycled material:

22 (i) fifty percent five years after plan implementation;

23 (ii) eighty percent five years after plan implementation; or

24 (iii) ninety percent twelve years after plan implementation.

25 2. Any producer that enters the market after the effective date of  
26 this title shall meet the recycling requirements required by subdivision  
27 one of this section as measured against the first calendar year for  
28 which there is data regarding the amount of packaging the producer sold,  
29 offered for sale, or distributed for sale in the state.

30 3. (a) For the purpose of determining a producer's compliance with the  
31 post-consumer recycled material requirements of this section, a producer  
32 shall rely on New York data regarding packaging sales and material use,  
33 if available, or may alternatively rely on the same type of data appli-  
34 cable to a region or territory of the United States that includes the  
35 state of New York.

36 (b) If a producer elects to rely on data regarding packaging sales and  
37 materials derived from data applicable to a region or territory of the  
38 United States that includes the state of New York, the producer shall:

39 (i) pro-rate the regional or territorial data to determine New York  
40 specific figures based on market share or population in a manner that  
41 ensures that the percentage of post-consumer recycled material calcu-  
42 lated for packaging material sold in New York is the same percentage as  
43 calculated for that larger region or territory; and

44 (ii) document the methodology used to determine such New York specific  
45 figures calculated under subparagraph (i) of this paragraph.

46 4. If a producer elects to comply with the provisions of this section  
47 by meeting the post-consumer recycled material requirements, the depart-  
48 ment may assess against a producer that fails to comply with those  
49 requirements an administrative penalty calculated as follows:

50 (a) The department shall add the total amount by weight in pounds of  
51 post-consumer recycled material and the total amount by weight in pounds  
52 of material that is not post-consumer recycled material used by the  
53 producer in all the packaging it sold, offered for sale, or distributed  
54 for sale in the state during the prior calendar year. Unless otherwise  
55 determined by the department, the figure calculated under this paragraph  
56 shall be calculated using the information reported by the manufacturer.

1 (b) The department shall multiply the figure calculated under para-  
2 graph (a) of this subdivision by the minimum post-consumer recycled  
3 material percentage required under paragraph (b) of subdivision one of  
4 this section during the prior calendar year.

5 (c) The department shall subtract from that figure calculated under  
6 paragraph (b) of this subdivision the total amount by weight in pounds  
7 of post-consumer recycled material used by the producer in all products  
8 it sold, offered for sale, or distributed for sale in packaging in the  
9 state during the prior calendar years.

10 (d) The department shall multiply that figure calculated under para-  
11 graph (c) of this subdivision by twenty cents. If the figure calculated  
12 under this paragraph is less than or equal to zero, the department may  
13 not assess an administrative penalty.

14 § 27-3317. Toxic substances in packaging.

15 1. Beginning December thirty-first, two thousand twenty-four, in addi-  
16 tion to the requirements of title two of article thirty-seven of this  
17 chapter, no person may sell, offer for sale, distribute for sale, or  
18 distribute for use in this state, any packaging material containing the  
19 following toxic substances above the practical quantification limit, as  
20 such term is defined in section 37-0901 of this chapter:

21 (a) ortho-phthalates;

22 (b) bisphenols;

23 (c) per- and polyfluoroalkyl substances (PFAS);

24 (d) lead and lead compounds;

25 (e) hexavalent chromium and compounds;

26 (f) cadmium and cadmium compounds;

27 (g) mercury and mercury compounds;

28 (h) benzophenone and its derivatives;

29 (i) halogenated flame retardants;

30 (j) perchlorate;

31 (k) formaldehyde; and

32 (l) toluene.

33 2. Beginning one year after the effective date of this title, no  
34 person may sell, offer for sale, distribute for sale, or distribute for  
35 use in this state, any packaging products containing the following toxic  
36 substances above the practical quantification limit, as such term is  
37 defined in section 37-0901 of this chapter:

38 (a) polyvinyl chloride;

39 (b) polystyrene; or

40 (c) polycarbonate.

41 3. Beginning three years after the effective date of this title, and  
42 every three years thereafter, the department shall designate at least  
43 ten additional toxic substances, unless it determines there are not ten  
44 chemicals that meet the definition of toxic substances. If the depart-  
45 ment determines there are not ten toxic substances that meet such defi-  
46 nition, it shall publish a detailed statement of findings and conclu-  
47 sions supporting such determination.

48 4. Within one hundred eighty days of designating a toxic substance,  
49 the department shall adopt regulations to prohibit the newly designated  
50 toxic substance in packaging, with an effective date no later than two  
51 years after such regulations are finalized.

52 6. Any producer that violates this section shall be subject to a fine  
53 for each violation not to exceed twenty-five thousand dollars for each  
54 violation.

55 § 27-3319. Biennial producer responsibility program report.

1 1. Beginning one year after the implementation of the producer plan  
2 pursuant to section 27-3305 of this title, and every two years thereaft-  
3 er, the department shall generate a producer responsibility program  
4 report.

5 2. The report shall include, at a minimum, the following information:

6 (a) a list of all participating producers and the brands of products  
7 associated with those producers;

8 (b) a baseline report of the number of units of packaging and type of  
9 packaging products, both non-reusable and reusable, that were sold,  
10 offered for sale, or distributed into the state;

11 (c) a list of all materials that are readily-recyclable in the state;

12 (d) results of an audit of inbound and outbound recyclable material  
13 processed and sold within the state;

14 (e) a waste characterization study that specifies the quantity in tons  
15 of packaging material in the waste stream according to types of uses;

16 (f) a statewide litter survey that identifies the quantity of packag-  
17 ing material in litter according to types of packaging material and the  
18 brands which produce the material;

19 (g) a list of the amount of packaging material and packaging material  
20 type sold or offered for sale within the state that year;

21 (h) a description of all funding issued pursuant to the plan; and

22 (i) the compliance of producers with the toxic substances prohibition  
23 provided in section 27-3317 of this title.

24 § 27-3321. Producer compliance information.

25 1. The department shall make available on its publicly accessible  
26 website a regularly updated list of UPCs of products for which the  
27 department has determined the producer has complied with all applicable  
28 requirements of this title and a list of producers and, where applica-  
29 ble, specific products and the UPCs of those products, for which the  
30 department has determined the producer has not complied with all appli-  
31 cable requirements of this title.

32 2. Each producer shall annually provide to the department a certif-  
33 icate of compliance signed by an authorized official stating that all  
34 packaging materials meet the requirements of this title provided howev-  
35 er, where compliance is achieved under an exemption provided in section  
36 27-3305 of this title, the certificate shall state the specific basis  
37 upon which the exemption is claimed.

38 § 27-3323. Enforcement.

39 1. The department may bring an administrative enforcement action  
40 against any producer or other entity to enjoin activity in violation of  
41 any provision of this title, and to assess and recover penalties as  
42 provided in this title.

43 2. The office of the attorney general may bring an action in any court  
44 of competent jurisdiction to enjoin any violation of the requirements of  
45 this title, and to recover penalties as provided in this title.

46 3. All penalties recovered pursuant to this section shall be deposited  
47 in the packaging responsibility fund.

48 § 27-3325. Labeling.

49 1. Producers shall indicate on all packaging material sold, offered  
50 for sale, or distributed for sale in or into the state either:

51 (a) the percentage of post-consumer recycled material;

52 (b) whether the packaging material is readily-recyclable and how to  
53 recycle such unit; or

54 (c) whether the unit is compostable.

55 2. Such labels shall be in a form deemed appropriate by the department  
56 pursuant to regulations.

1 3. All packaging material sold in the state shall conform with the  
2 labeling requirements in this section within two years of the effective  
3 date of this title. Packaging that does not meet the requirements of  
4 this section may not be sold, offered for sale, or distributed for sale  
5 into the state.

6 § 27-3327. Regulations.

7 1. The department shall promulgate regulations as necessary to imple-  
8 ment and administer this title.

9 2. The department shall solicit input from interested parties in the  
10 development of any draft regulations to implement this title, solicit  
11 public comment on such draft regulations for a period of at least sixty  
12 days, and hold at least one public hearing on such draft regulations.

13 3. The regulations adopted by the department pursuant to this title  
14 shall include, at a minimum:

15 (a) a process for annually determining a schedule of producer  
16 payments, which shall include, but not be limited to, provisions regard-  
17 ing the timing of producer payments.

18 (i) The payment schedule adopted under this paragraph shall delineate  
19 criteria to be used to adjust producer payments in a manner that  
20 complies with section 27-3311 of this title; and

21 (ii) Shall include a description of the methods to be used to deter-  
22 mine the amount reported for each type of packaging material associated  
23 with its products.

24 (b) a process for a producer or producers that are unable to fully  
25 satisfy the reporting requirements due to a failure to obtain sufficient  
26 information regarding the characteristics of the packaging of the  
27 producer's products that are sold, offered for sale, or distributed for  
28 sale in or into the state to, alternatively, report to the department an  
29 estimate of the total amount of such packaging based on unit quantities,  
30 as long as such alternative reporting includes a description of methods  
31 used by the producer to calculate the estimate;

32 (c) a process for determining on an annual basis those types of pack-  
33 aging materials that are readily-recyclable which shall at a minimum  
34 involve consultation with the municipalities and recycling establish-  
35 ments and shall include a transitional period between the time that the  
36 type of packaging material is determined to be recyclable or to not be  
37 recyclable and the time that such determination shall be in effect for  
38 the purposes of calculating producer payments;

39 (d) requirements for the assessment of program performance, including:

40 (i) the non-reusable packaging reduction requirements set forth in  
41 section 27-3313 of this title;

42 (ii) standards for reuse and refill systems to ensure they achieve the  
43 break-even point for reusable packaging;

44 (iii) the recycling or post-consumer recycled material requirements  
45 set forth in section 27-3315 of this title;

46 (iv) the toxic substances in packaging requirements set forth in  
47 section 27-3317 of this title;

48 (v) the labeling requirements set forth in section 27-3325 of this  
49 title; and

50 (vi) material-specific recycling rates for each type of packaging  
51 material for which a fee has been set pursuant to section 27-3311 of  
52 this title. The material specific recycling rate goals shall reflect the  
53 following recycling standards:

54 (A) sorted glass shall be considered recycled if it does not require  
55 further processing before entering a glass furnace or before use in the

1 production of filtration media, abrasive materials, glass fiber insu-  
2 lation or construction;

3 (B) sorted metal shall be considered recycled if it does not require  
4 further processing before entering a smelter or furnace;

5 (C) sorted paper shall be considered recycled if it does not require  
6 further processing before entering a pulping operation; and

7 (D) plastic separated by polymer shall be considered recycled if it  
8 does not require further processing before entering a pelletization,  
9 extrusion or molding operation, or in the case of plastic flakes, does  
10 not require further processing before use in a final product;

11 (e) requirements for the producer to conduct representative audits of  
12 recyclable material processed and sold by facilities that process  
13 recyclable material generated in the state, of municipal solid waste  
14 disposed of in the state, and waste littered in the state, which shall  
15 include, at minimum:

16 (i) provisions regarding the sampling techniques to be used in those  
17 audits, which must include random sampling; and

18 (ii) for audits of recyclable materials, provisions regarding:

19 (A) how such audits shall be designed to collect information regarding  
20 the extent to which recycled material processed and sold by those facil-  
21 ities reflects the tons of each type of packaging material collected in  
22 the state for recycling and the amount of each type of packaging materi-  
23 al recycled in the state, as well as the ultimate destination of and  
24 intended use for such recycled material;

25 (B) how such audits shall be designed so that information collected  
26 through the audit of one facility shall not be used to infer information  
27 about a different facility that uses different processing equipment,  
28 different sorting processes, or different staffing levels to conduct  
29 processing;

30 (C) for audits of municipal solid waste, provisions regarding how such  
31 audits will be designed to collect information regarding the types and  
32 amount, by weight, of packaging in the waste stream and the percentage  
33 by weight of the waste stream that is composed of packaging; and

34 (D) for audits of waste littered in the state, provisions regarding  
35 how such audits will be designed to collect information regarding the  
36 packaging material type by amount, weight, in sampled litter, identifi-  
37 cation of the producer or producers of the packaging in sampled litter,  
38 if identifiable, and an evaluation based on those audits regarding the  
39 areas of the state in which litter accumulation is greatest;

40 (f) a process by which the producer or producers shall develop and  
41 submit for department review and a process by which the department shall  
42 review and approve or deny: (i) a proposed investment in recycling  
43 infrastructure and education and (ii) a proposed investment in reusable  
44 or refillable infrastructure and education. The process shall set forth  
45 the manner in which the producer or producers are required to solicit  
46 and incorporate input in the development of proposed investments from  
47 producers, recycling establishments, and municipalities;

48 (g) a process for soliciting information necessary for, and a process  
49 for rendering a determination regarding:

50 (i) a producer's compliance with the non-reusable packaging reduction  
51 requirements of section 27-3313 of this title;

52 (ii) a producer's compliance with the reuse and refill system require-  
53 ments of section 27-3313 of this title;

54 (iii) a producer's compliance with the recycling or post-consumer  
55 recycled material requirements of section 27-3315 of this title;

- 1 (iv) a producer's compliance with the toxic substances in packaging
- 2 requirements of section 27-3317 of this title; and
- 3 (v) a producer's compliance with the labeling requirements of section
- 4 27-3325 of this title;
- 5 (h) a process for determining how the producer or producers will
- 6 distribute funds to municipalities; and
- 7 (i) a process for determining the minimum number of reuse or refill
- 8 cycles required for each type of packaging material to be considered
- 9 reusable or refillable, pursuant to section 27-3313 of this title.

10 § 2. The state finance law is amended by adding a new section 92-kk to  
11 read as follows:

12 § 92-kk. Packaging responsibility fund. 1. There is hereby established  
13 in the joint custody of the comptroller and the commissioner of the  
14 department of taxation and finance a special fund to be known as the  
15 packaging responsibility fund.

16 2. Such fund shall consist of all penalties collected pursuant to  
17 title thirty-three of article twenty-seven of the environmental conser-  
18 vation law, and any other monies deposited into the fund pursuant to  
19 law.

20 3. Moneys of the fund shall be made available to fund third-party,  
21 independent audits of both inbound and outbound recyclable material  
22 generated in the state, disposal of both inbound and outbound materials,  
23 and litter audits. Such audits shall be conducted at least every two  
24 years and shall be posted on the department of environmental conserva-  
25 tion's website.

26 § 3. The department of health shall, within one year of the effective  
27 date of this act, examine its rules and regulations to identify any  
28 barriers to the implementation of refill systems, including in food  
29 production and wineries.

30 § 4. This act shall take effect immediately.