

## Putting Plastic To Work For Texas

Rebate system for certain plastic items providing a monetary incentive for the public to recover and recycle material, supporting recycling programs and Texas manufactures; fund long-term, comprehensive county administration of litter/illegal dumping prevention, abatement, violation enforcement, etc.; and provide substantial program balance/account interest for flood mitigation infrastructure projects.

(-) TxDOT spends \$47 million annually on roadside litter clean up, yet found more than 80% increase of total litter on FM roads. [Senate Committee on Agriculture, Water & Rural Affairs 85th Session Interim Report](#)

(-) [Study of 9 Texas communities](#) showed more than \$50 million per year in direct costs of litter and illegal dumping.

(+) [TCEQ report](#) found recycling industry contributes more than \$3.3 billion annually to Texas economy and provides nearly 18,000 jobs – on par with the pipe transportation and broadcasting.

(+) Generate almost \$200 million per year in net revenue for flood mitigation strategies and infrastructure.

### **Penny per: Quarter back**

Texas consumers pay 1¢ at point of sale for PET (#1) beverage containers, grocery “take away” bags, and single-use drink cups

Rebates paid to consumer at 25¢/lb for beverage containers and all applicable plastic film returned.

Handling fee paid to participating entities once captured material is sold to recycling market, currently modeled for 60¢/lb urban, 90¢/lb rural

### **Benefits:**

- Sustained funding for comprehensive approach to litter and illegal dumping prevention through education, incentives, infrastructure, and law enforcement of criminal violations
- Productive use of material as an alternative to bans
- Retains consumer choice
- Allows industries to convey positive use of packaging choices for industries
- Reduction in windblown, waterborne litter targeted plastic material and litter overall
- Encourage an in-state circular economic system by increasing post consumer recycled PET and film plastic that are the feedstock for current Texas industries
- Provides a wide range of business and employment potentials, from entrepreneurial opportunities in creating material redemption facilities to entry-level collection, sorting, etc.
- State option for Texas municipalities expressing need to mitigate film plastic waste and remove difficult film plastic from municipal curbside stream
- Utilization of current supplemental reporting infrastructure to simplify process for retail participants along with audit/administration by state comptroller
- No mandates on distributors or retail for material take-back or storage

## Legislation Framework

Statewide framework for industry led material aggregation and rebate program providing sustained funding for recycling/litter prevention education, infrastructure, and violation enforcement along with contributing to identified coastal flood mitigation project.

- priority permitting to schools for donations of material for rebate and/or handling fee
- sustained funding for pass-through grants to counties for:
  - o litter/dumping violation enforcement
  - o litter/dumping prevention and education programs
  - o partnerships for recycling education/infrastructure
- industry/stakeholder led consortium (ex. commodity board) to manage program
  - o determine eligible material and quality standards
  - o adjust handling fees and weight ratio rebate to:
    - increase participation as necessary (consumer, rebate infrastructure, processor)
    - maintain program account balance
  - o validate credible end markets for eligible materials (not flow control)
    - fund market development research and incentives
    - fund marketing of products made from rebate material
- ability for retail to provide direct payment to Comptroller for 95% of inventory in lieu of charging consumers for each take-away bag or single-use drink cup at point of sale
- program funding:
  - o eligible material rebates
  - o handling fees to processors
  - o Comptroller administration
    - county grants @ \$100,000/year + additional \$100,000/500,000 population (approx. \$30M/year)
  - o % net to flood infrastructure

Impacts to current recycling systems:

- Curbside programs
  - o Provide grant funding to build rebate infrastructure (ex. reverse vending machines, kiosk, retail inclusion, etc) for eligible material (i.e., remove problem film from MRF operations)
  - o Receive 25¢/lb rebate to municipality for eligible material processed curbside and sold to market
  - o Provide sustained funding for recycling education (including contamination reduction, benefits of recycling, how-to, etc)
- Drop off programs (community/school/non-profit)
  - o Provide grant funding to expand operations to include rebate ability (not mandatory)
  - o Receive 25¢/lb rebate for material 'donated'
  - o Receive per pound handling fee (60¢ urban/90¢ rural) for eligible material sold to market
- Material Recovery Facilities (MRFs)
  - o Receive per pound handling fee (60¢ urban/90¢ rural) to MRF for eligible material sold to market
  - o Provide alternative collection for film plastic
  - o Create a 'price floor' for eligible material to counter volatile markets