

# HOUSE BILL NO. 3504

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE THOMAS.

7015H.011

JOSEPH ENGLER, Chief Clerk

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### AN ACT

To amend chapter 260, RSMo, by adding thereto fifteen new sections relating to the producer responsibility program for statewide recycling act, with penalty provisions.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 260, RSMo, is amended by adding thereto fifteen new sections, to  
2 be known as sections 260.1160, 260.1162, 260.1164, 260.1166, 260.1168, 260.1170,  
3 260.1172, 260.1174, 260.1176, 260.1178, 260.1180, 260.1182, 260.1184, 260.1186, and  
4 260.1188, to read as follows:

260.1160. Sections 260.1160 to 260.1188 shall be known and may be cited as the  
2 "Producer Responsibility Program for Statewide Recycling Act".

260.1162. As used in sections 260.1160 to 260.1188, unless the context provides  
2 otherwise, the following terms mean:

3 (1) "Additional producer responsibility organization", a nonprofit organization  
4 designated by the department as an additional producer responsibility organization  
5 under subsection 2 of section 260.1172;

6 (2) "Advisory board", the producer responsibility program for statewide  
7 recycling advisory board created in section 260.1164;

8 (3) "Amended plan proposal", an amended plan proposal for the  
9 implementation of the program submitted to the advisory board after the advisory  
10 board's initial review of the plan proposal in accordance with subsection 5 of section  
11 260.1166;

12 (4) "Collection", the gathering and transportation of covered materials from  
13 covered entities for the purpose of recycling;

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14           **(5) "Collection rate", the weight of covered materials that are collected under**  
15 **the program in a calendar year divided by the weight of covered materials used for**  
16 **products sold or distributed by producers within or into the state in the same calendar**  
17 **year, expressed as a percentage;**

18           **(6) "Compost", the material or product that is developed under controlled**  
19 **conditions and that results from biological degradation processes by which organic**  
20 **wastes decompose;**

21           **(7) "Compost facility", a site where compost is produced and includes only those**  
22 **compost facilities that readily accept and process packaging material collected from**  
23 **consumers;**

24           **(8) "Compostable", a covered material associated with organic waste streams**  
25 **that is capable of undergoing aerobic biological decomposition in a controlled**  
26 **composting system as demonstrated by meeting ASTM D6400 or ASTM D6868**  
27 **standards, or any successor standards;**

28           **(9) "Consumer", any person who purchases or receives covered materials in the**  
29 **state and is located at a covered entity;**

30           **(10) "Convenience standards", the standards for the program as described in**  
31 **subsection 3 of section 260.1168;**

32           **(11) "Covered entity", the following locations in the state from which covered**  
33 **materials are collected:**

34           **(a) All single-family or multifamily residences in the state; and**

35           **(b) Nonresidential locations identified in the final plan, including public places,**  
36 **small businesses, schools as defined under state law, hospitality locations, and state and**  
37 **local government buildings;**

38           **(12) "Covered materials":**

39           **(a) Shall include:**

40           **a. Packaging materials except as indicated in paragraph (b) of this subdivision;**

41 **and**

42           **b. Paper products, except as indicated in paragraph (b) of this subdivision;**

43           **(b) Shall not include:**

44           **a. Packaging materials intended to be used for the long-term storage or**  
45 **protection of a durable product and that are intended to transport, protect, or store the**  
46 **product for at least five years;**

47           **b. Paper products that, through their use, could become unsafe or insanitary to**  
48 **handle;**

- 49           c. **Printed paper used to distribute financial statements, billing statements,**  
50 **medical documents, or other vital documents required to be provided in paper form by**  
51 **applicable consumer protection laws or other state or federal laws;**
- 52           d. **Bound books;**
- 53           e. **Beverage containers subject to a returnable container deposit, if applicable;**
- 54           f. **Packaging material used exclusively in industrial or manufacturing processes;**
- 55           g. **Packaging material used to contain a product that is regulated as a drug,**  
56 **medical device, or dietary supplement by the federal Food and Drug Administration**  
57 **under the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. Section 301 et seq., as**  
58 **amended, or any federal regulation promulgated under such act, or any equipment and**  
59 **materials used to manufacture such products;**
- 60           h. **Packaging material used to contain a product that is regulated as animal**  
61 **biologics, including vaccines, bacterins, antisera, diagnostic kits, and other products of**  
62 **biological origin under the federal Virus-Serum-Toxin Act, 21 U.S.C. Section 151 et seq.,**  
63 **as amended;**
- 64           i. **Packaging material used to contain a product that is regulated under the**  
65 **Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq., as**  
66 **amended;**
- 67           j. **Packaging material used to contain architectural paint;**
- 68           k. **Packaging material used to contain a product that is required under state law**  
69 **to be sold in packaging material that meets the standards set forth in the Poison**  
70 **Prevention Packaging Act of 1970, 15 U.S.C. Section 1471 et seq., as amended;**
- 71           l. **Packaging material used to contain a portable electronic device that has been**  
72 **repaired and reconditioned to be sold as a refurbished product;**
- 73           m. **Paper products used for a print publication that primarily includes content**  
74 **derived from primary sources related to news and current events;**
- 75           n. **Packaging material used to contain a product that is regulated as infant**  
76 **formula as defined in 21 U.S.C. Section 321 (z), as a medical food as defined in 21 U.S.C.**  
77 **Section 360 ee (b)(3), or as fortified nutritional supplements used for individuals who**  
78 **require supplemental or sole source nutrition to meet nutritional needs due to special**  
79 **dietary needs directly related to cancer, chronic kidney disease, diabetes, malnutrition,**  
80 **or failure to thrive, as those terms are defined by the World Health Organization's**  
81 ***International Classification of Diseases* (tenth revision), as amended or revised, or any**  
82 **other medical conditions as determined by the department by rule; and**
- 83           o. **Any other material that, based on an analysis by the organization of the**  
84 **operational and financial impacts of the proposed changes and after consultation with**  
85 **the advisory board, the department determines by rule to not be a covered material;**

86 (13) "Department", the department of natural resources;

87 (14) "Director", the director of the department of natural resources, or the  
88 director's designee;

89 (15) "Environmentally sound management practices", policies that ensure  
90 compliance with all applicable environmental laws, including laws addressing  
91 recordkeeping, tracking and documenting the disposition of covered materials  
92 collected from covered entities, and environmental liability coverage for professional  
93 services and contractor operations;

94 (16) "Final plan", the plan proposal or amended plan proposal that has been  
95 designated as the final plan by the director under subsection 5 of section 260.1166;

96 (17) "Local government", any county, city, or village;

97 (18) "Materials recovery facility", a facility for processing covered materials  
98 that are collected for recycling before they are conveyed to end-market businesses;

99 (19) "Mechanical recycling", a form of recycling that does not change the basic  
100 molecular structure of the material being recycled;

101 (20) "Minimum recyclable list", the list of covered materials developed under  
102 subsection 1 of section 260.1168;

103 (21) "Needs assessment", the assessment of the state's recycling needs conducted  
104 under subsection 3 of section 260.1166;

105 (22) "Nonprofit organization", a tax-exempt charitable or social welfare  
106 organization operating under 26 U.S.C. 501(c)(3) or 501(c)(4) of the federal Internal  
107 Revenue Code of 1986, as amended;

108 (23) "Packaging material":

109 (a) Any of the following:

110 a. Any material, regardless of recyclability, that is intended for single or short-  
111 term use and is used for the containment, protection, handling, or delivery of products  
112 to the consumer at the point of sale, including through an internet transaction;

113 b. Products supplied to or purchased by consumers for the express purpose of  
114 facilitating food or beverage consumption and that are ordinarily disposed of after a  
115 single or short-term use and not designed for reuse or refill;

116 c. Paper, plastic, glass, metal, cartons, flexible foam, ridge packaging, or other  
117 materials, or combination of these materials; and

118 (b) Shall not include:

119 a. Packaging materials used solely in transportation or distribution to  
120 nonconsumers;

121 b. Packaging materials used solely in business-to-business transactions where a  
122 covered material is not intended to be distributed to the end consumer;

- 123           **c. Packaging materials that are not sold or distributed to covered entities; or**  
124           **d. Packaging materials that are used for products sold or distributed outside the**  
125 **state;**
- 126           **(24) "Paper products", paper and other cellulosic fibers whether they are used**  
127 **as a medium for text or images including flyers, brochures, booklets, catalogues,**  
128 **telephone directories, newspapers, magazines, and paper used for writing or any other**  
129 **purpose;**
- 130           **(25) "Plan proposal", the plan proposal for the implementation of the program**  
131 **submitted to the advisory board under subsection 4 of section 260.1166;**
- 132           **(26) "Postconsumer-recycled-content rate", the amount of postconsumer**  
133 **recycled materials used in the production of covered materials in a calendar year**  
134 **divided by the amount of covered materials used for products sold or distributed by**  
135 **producers within or into their United States market territory in the same calendar year,**  
136 **expressed as a percentage;**
- 137           **(27) "Postconsumer recycled material", only those covered materials that have**  
138 **served their intended end use as consumer items and that have been separated or**  
139 **diverted from the waste stream for the purposes of collection and recycling as a**  
140 **secondary material feedstock. "Postconsumer recycled material" includes returns of**  
141 **material from the distribution chain, but excludes waste material generated during or**  
142 **after the completion of a manufacturing process;**
- 143           **(28) "Producer":**
- 144           **(a) Any of the following:**
- 145           **a. If the product is sold or distributed in the state using packaging materials**  
146 **under the manufacturer's own brand or is sold or distributed in the state using**  
147 **packaging materials that lack identification of a brand, the person who manufactures**  
148 **the product;**
- 149           **b. If the product is manufactured by a person other than the brand owner, the**  
150 **person who is the licensee of a brand or trademark under which a packaged item is sold**  
151 **or distributed in the state, whether the trademark is registered in the state; or**
- 152           **c. If there is no person described in subparagraph a. of this paragraph within the**  
153 **United States, the person who imports the product using covered materials into the**  
154 **United States for use in a commercial undertaking that sells or distributes the item in**  
155 **the state;**
- 156           **(b) For the purposes of products that are sold or distributed in the state through**  
157 **an internet transaction:**
- 158           **a. The producer of the packaging material used to directly protect or contain the**  
159 **product; or**

160           **b. For the purposes of packaging material used to ship a product to a consumer,**  
161 **the person that packages or ships the product to the consumer;**

162           **(c) For the purposes of a paper product that is a magazine, newspaper, catalog,**  
163 **telephone directory, or similar publication, the publisher of the paper product;**

164           **(d) For the purposes of paper products not described in paragraph (c) of this**  
165 **subdivision:**

166           **a. The person that manufactures the paper product under the manufacturer's**  
167 **own brand; or**

168           **b. If the paper product is manufactured by a person other than the brand owner,**  
169 **the person that is the owner or licensee of the brand or trademark under which the**  
170 **paper product is used in a commercial undertaking, sold, or distributed in or into the**  
171 **state, whether the trademark is registered in the state; or**

172           **(e) For any other covered material, the person that first distributes the covered**  
173 **material in or into the state;**

174           **(29) "Producer responsibility dues", the amounts established in subdivision (9)**  
175 **of subsection 4 of section 260.1166 that a producer participating in the program pays**  
176 **annually into the program under subsection 1 of section 260.1174;**

177           **(30) "Producer responsibility organization" or "organization", the nonprofit**  
178 **organization designated to implement the program under subdivision (2) of subsection 1**  
179 **of section 260.1166;**

180           **(31) "Producer responsibility program for statewide recycling" or "program",**  
181 **the producer responsibility program for statewide recycling described under section**  
182 **260.1166;**

183           **(32) "Proprietary information", information that, if made public:**

184           **(a) Would divulge competitive business information or trade secrets of the entity**  
185 **that developed the information; or**

186           **(b) Would reasonably hinder the entity's competitive advantage in the market;**

187           **(33) "Public place", an indoor or outdoor location in the state that is open to and**  
188 **generally used by the public including, but not limited to, streets; sidewalks; plazas;**  
189 **town squares; state-owned or local-government-owned parks, beaches, and forests;**  
190 **other state-owned or local-government-owned land open for recreation or other public**  
191 **uses; and transportation facilities including bus and train stations and airports. The**  
192 **term "public place" does not include industrial, commercial, or privately owned**  
193 **property;**

194           **(34) "Readily recyclable material", a covered material that is included on the**  
195 **minimum recyclable list;**

196           **(35) "Recycling", the reprocessing by means of a manufacturing process of a**  
197 **used material into a product or a secondary raw material. The term "recycling" does**  
198 **not include:**

199           **(a) Energy recovery or energy generation by means of combustion;**

200           **(b) Use as a fuel;**

201           **(c) Use as alternative daily cover as defined under the rules and regulations of**  
202 **the department of natural resources; or**

203           **(d) Landfill disposal of discarded covered materials;**

204           **(36) "Recycling rate", the weight of covered materials that are recycled under**  
205 **the program in a calendar year divided by the weight of covered materials used for**  
206 **products sold or distributed by producers within or into the state in the same calendar**  
207 **year, expressed as a percentage. The recycling rate is measured at the point where**  
208 **collected covered materials have been prepared for sale or delivery to material**  
209 **reclaimers or end markets after processing at a materials recovery facility or similar**  
210 **establishment that sells directly to reclaimers or end markets;**

211           **(37) "Recycling services", services provided for the recycling of covered**  
212 **materials, including the collection, transportation, and processing of covered materials**  
213 **from the consumer to the end market. "Recycling services" includes curbside services**  
214 **and drop-off centers;**

215           **(38) "Recycling services costs", the costs of recycling programs to provide**  
216 **recycling services, including applicable costs related to:**

217           **(a) The administration of recycling programs;**

218           **(b) Capital improvements to recycling programs;**

219           **(c) The collection, transportation, sorting, and processing of covered materials;**

220           **(d) Public education about recycling programs; and**

221           **(e) Disposal of nonrecyclable collected covered materials;**

222           **(39) "Responsible end market", a materials market in which the recycling of**  
223 **materials or the disposal of contaminants is conducted in a way that benefits the**  
224 **environment and minimizes risks to public health and worker health and safety;**

225           **(40) "Retailer", a person that sells to consumers within or into the state,**  
226 **including sales made through an internet transaction, products for which covered**  
227 **materials are used;**

228           **(41) "Reuse" or "refill", the return into the marketplace of a covered material**  
229 **that has already been used in the same manner as originally intended without a change**  
230 **in the covered material's purpose, and was intended to be used for its original purpose**  
231 **at least five times;**

232 (42) "Service provider", a public or private entity, other than the producer  
233 responsibility organization, that provides recycling services in the state.

260.1164. 1. There is hereby created in the department of natural resources the  
2 "Producer Responsibility Program for Statewide Recycling Advisory Board". The  
3 department shall select an impartial, third-party facilitator to convene and provide  
4 administrative support to the advisory board.

5 2. The advisory board shall consist of the following thirteen voting members and  
6 two nonvoting members appointed by the department director:

7 (1) Three voting members representing local governments in the state,  
8 including:

9 (a) One member representing a city;

10 (b) One member representing a county; and

11 (c) One member representing a local government located in a rural county;

12 (2) One voting member representing a materials recovery facility;

13 (3) One voting member representing a hauler of recyclable materials, whether  
14 representing the public or private sector;

15 (4) One voting member representing an environmental or community-based  
16 nonprofit organization;

17 (5) One voting member representing a packaging material supplier that is not a  
18 producer, with the member rotating to a packaging material supplier of a different type  
19 of packaging material after each new term;

20 (6) One voting member representing a manufacturer of recycled paper products  
21 that is not a producer;

22 (7) One voting member representing a trade association, chamber of commerce,  
23 or other business advocacy organization representing businesses that are headquartered  
24 in the state;

25 (8) One voting member representing a retailer's association or a retailer that is  
26 not a producer;

27 (9) One voting member representing a compost facility;

28 (10) One voting member who has experience in environmental justice and  
29 representing underserved communities;

30 (11) One voting member representing a solid waste landfill or transfer station  
31 operating an on-site, public-facing recycling collection program;

32 (12) One nonvoting member representing the department; and

33 (13) One nonvoting member representing the producer responsibility  
34 organization.

35           **3. The members of the advisory board shall have relevant knowledge and**  
36 **expertise in recycling programs or the impacts of covered materials on the state and the**  
37 **environment.**

38           **4. In appointing members, the director shall ensure to the extent practicable the**  
39 **geographic diversity of the advisory board's membership, including regions outside of**  
40 **urban areas.**

41           **5. The department director shall make all appointments to the advisory board**  
42 **no later than December 31, 2027. The appointments for initial terms to the advisory**  
43 **board shall be staggered so that some of the members serve initial two-year terms and**  
44 **other members serve initial three-year terms, and all members serve subsequent terms**  
45 **of three years. The department director shall fill any vacancy by appointment for the**  
46 **remainder of the unexpired term.**

47           **6. The advisory board shall convene its first meeting no later than March 1,**  
48 **2028. At the first meeting, the voting members shall select a chair and vice chair from**  
49 **among the voting members for a term not to exceed two years, as determined by the**  
50 **advisory board. The advisory board shall conduct annual meetings and may conduct**  
51 **meetings more frequently upon the request of the chair or of at least seven of the voting**  
52 **members of the advisory board. The organization and the department may provide**  
53 **technical and staff assistance to the advisory board.**

54           **7. The advisory board is subject to the open meetings provisions of the Missouri**  
55 **sunshine law, in chapter 610.**

56           **8. Advisory board members are entitled to be reimbursed at a rate consistent**  
57 **with other boards and commissions created within the department for necessary travel**  
58 **within the state and other reasonable expenses incurred in the performance of their**  
59 **official duties.**

60           **9. The advisory board shall:**

61           **(1) Advise the organization throughout the needs assessment process in**  
62 **accordance with subsection 3 of section 260.1166;**

63           **(2) Review the needs assessment reported to the advisory board under**  
64 **subsection 3 of section 260.1166;**

65           **(3) Review the plan proposal submitted under section 260.1166;**

66           **(4) Consult with the organization on amendments to the plan proposal and the**  
67 **amended plan proposal;**

68           **(5) Recommend that the director approve or reject the plan proposal or**  
69 **amended plan proposal;**

70           **(6) Review the annual report submitted by the organization under subsection 2**  
71 **of section 260.1174; and**

72           **(7) Consult with the organization on the development and updating of the**  
73 **minimum recyclable list.**

74           **10. In consultation with the organization, the advisory board shall recommend**  
75 **amendments to the final plan to the director for inclusion in the annual report under**  
76 **subsection 2 of section 260.1174.**

**260.1166. 1. (1) On or before June 1, 2028, producers or their designated agents**  
2 **shall establish a nonprofit organization to fulfill the requirements of sections 260.1160 to**  
3 **260.1188 and shall provide notification to the department that includes:**

4           **(a) The name, address, and contact information of a person responsible for**  
5 **ensuring the compliance of the nonprofit organization and participating producers**  
6 **under sections 260.1160 to 260.1188;**

7           **(b) A list of participating producers; and**

8           **(c) A description of the funding mechanism that the nonprofit organization shall**  
9 **use to conduct the needs assessment.**

10           **(2) Upon receipt of the notification given under subdivision (1) of this subsection,**  
11 **the director shall:**

12           **(a) Acknowledge receipt of the notification; and**

13           **(b) Designate the nonprofit organization as the producer responsibility**  
14 **organization to implement and administer the producer responsibility program for**  
15 **statewide recycling.**

16           **(3) The organization designated by the director under subdivision (2) of this**  
17 **subsection shall have a governing board with voting members that represent a diverse**  
18 **range of producers by size and type and represent producers of different types of**  
19 **covered materials. The members of the governing board shall not have more than one**  
20 **member per corporate entity. The governing board of the organization shall include**  
21 **nonvoting members that represent trade associations for types of covered materials.**  
22 **The organization shall provide public notice of any board meetings at least seventy-two**  
23 **hours before the board meeting.**

24           **2. The producer responsibility organization shall:**

25           **(1) Facilitate a needs assessment in consultation with the advisory board;**

26           **(2) Consult with the advisory board in the development of the plan proposal**  
27 **prior to its submission, including in the development of the cost formulas for**  
28 **reimbursements to service providers under subsection 3 of this section;**

29           **(3) Submit a plan proposal in accordance with subsection 4 of this section that**  
30 **covers a period of five years; and**

31           **(4) Operate and administer the program in accordance with the final plan, the**  
32 **provisions of sections 260.1160 to 260.1188, and the rules adopted by the department**  
33 **under sections 260.1160 to 260.1188.**

34           **3. (1) On or before September 1, 2027, the organization shall hire an**  
35 **independent third party approved by the director to conduct an assessment of the state's**  
36 **recycling needs. The organization shall issue a request for proposals in accordance with**  
37 **the provisions of chapter 34, and applicable rules, for the selection of the independent**  
38 **third party. Prior to the commencement of the needs assessment, the organization shall**  
39 **consult with the advisory board on the scope of the needs assessment and provide any**  
40 **necessary recommendations to the third-party consultant conducting the needs**  
41 **assessment. The needs assessment shall be inclusive of and address the needs of all**  
42 **geographic areas of the state. At a minimum, the needs assessment shall identify:**

43           **(a) The service availability, capacity, performance, and gaps in recycling services**  
44 **provided to residential covered entities throughout the state and the prices paid for**  
45 **recycling services;**

46           **(b) The documented recycling services costs incurred by public and private**  
47 **service providers to provide recycling services for residential covered entities;**

48           **(c) Demographic factors and other variables to be considered in the development**  
49 **of reimbursement rates for service providers in accordance with subdivision (10) of**  
50 **subsection 4 of this section;**

51           **(d) The levels of contamination at materials recovery facilities and compost**  
52 **facilities throughout the state and the impacts of contamination on those facilities;**

53           **(e) The service availability, gaps, and recycling services costs associated with**  
54 **providing recycling services to nonresidential covered entities, with particular attention**  
55 **to small businesses, and which types and locations of nonresidential covered entities**  
56 **could be provided with recycling services that would increase statewide collection and**  
57 **recycling rates in a cost-effective manner;**

58           **(f) The processing capacity of existing infrastructure and the additional**  
59 **infrastructure needed to meet or exceed the convenience standards, reduce**  
60 **contamination, and improve the quality of recyclable materials and the projected**  
61 **scenarios for increasing the recycling rate and collection rate of covered materials, as**  
62 **identified under paragraph (m) of this subdivision;**

63           **(g) An evaluation of the opportunities and costs of various service methods to**  
64 **increase recycling rates overall for specific covered material types;**

65           **(h) A proposed list of covered materials for inclusion in the minimum recyclable**  
66 **list and additional materials that shall be collected in different geographic areas through**  
67 **curbside services, drop-off centers, or other means;**

68 (i) The market conditions and opportunities for the use of recycled covered  
69 materials in the state and in different geographic areas of the state, including the  
70 transportation gaps and opportunities affecting access to markets;

71 (j) Opportunities for the use of innovative new technologies, including artificial  
72 intelligence technologies, for the recycling and reuse of covered materials;

73 (k) The availability and scope of any reuse or refill systems in the state affecting  
74 the use of covered materials;

75 (l) Education needs in the state; and

76 (m) At least three projected scenarios for increasing the recycling rate and  
77 collection rate of covered materials in the state, including recycling rates and collection  
78 rates that the state could meet by January 1, 2033, and January 1, 2036, and the  
79 operating and capital costs needed to reach each projected scenario, including:

80 a. A review and assessment of the impact of the exemptions described in  
81 paragraph (b) of subdivision (12) and paragraph (b) of subdivision (23) of section  
82 260.1162, and in section 260.1182 on the feasibility and short-term and long-term  
83 success of the program;

84 b. A review and assessment of the impact of producer exemptions in other  
85 international and domestic extended producer responsibility programs implemented by  
86 a producer responsibility organization; and

87 c. A determination of whether any industry sector would be disproportionately  
88 impacted as a result of the exemptions described in paragraph (m) of subdivision (1) of  
89 this subsection; and

90 (n) The capacity, costs, and gaps for compost facilities to process and recover  
91 compostable materials.

92 (2) The organization shall consult with the advisory board throughout the needs  
93 assessment process and in determining which projected scenario identified in paragraph  
94 (m) of subdivision (1) of this subsection to implement in its plan proposal.

95 (3) On or before January 30, 2030, the organization shall report the results of the  
96 needs assessment to the advisory board and the director. The director shall post the  
97 results of the needs assessment on the department's website and provide public notice  
98 and an opportunity to comment on the results of the needs assessment. In finalizing the  
99 needs assessment, the director shall include in the needs assessment a summary of any  
100 comments received under this subsection and identify any significant changes made to  
101 the needs assessment based on such comments.

102 (4) On or before May 1, 2033, and on or before May first every five years  
103 thereafter, the organization shall hire an independent third party approved by the  
104 director to conduct an updated assessment of the state's recycling needs to reevaluate

105 the program and identify any recycling service needs in the state that are not being met  
106 by the program. In consultation with the advisory board, the organization may modify  
107 the scope of an updated needs assessment by April 15, 2033, and on or before April  
108 fifteenth every five years thereafter. The organization shall report the results of the  
109 updated needs assessment to the director in accordance with the reporting requirements  
110 set forth in subdivision (3) of this subsection. The organization shall use the findings of  
111 the updated needs assessment to create an updated plan proposal and submit the  
112 updated plan proposal to the advisory board in accordance with subsection 4 of this  
113 section. In consultation with the advisory board and the organization, the director may  
114 waive the requirement to conduct an updated needs assessment under this subsection.

115 4. On or before February 1, 2030, the organization shall submit a plan proposal  
116 for the program to the advisory board, that, except as set forth in this subsection, only  
117 addresses recycling services for residential covered entities. The plan proposal shall  
118 cover a period of five years, and an updated plan proposal shall be submitted to the  
119 advisory board on or before February first every five years thereafter. Any updated  
120 plan proposal shall address recycling services for both residential and any applicable  
121 nonresidential covered entities, as identified in the needs assessment under subsection 3  
122 of this section. In developing the plan proposal and any updated plan proposals, the  
123 organization shall solicit and consider input from the advisory board and provide  
124 opportunity for additional stakeholder input. To be approved, a plan proposal shall:

125 (1) Provide contact information for the organization and a representative of the  
126 organization;

127 (2) Describe how the plan proposal shall address and implement the findings of  
128 the needs assessment;

129 (3) Describe the manner in which the organization solicited and considered  
130 input from stakeholders and the advisory board in developing the plan proposal. The  
131 organization shall provide a summary of any comments about the plan proposal from  
132 the advisory board and additional stakeholders and identify changes made to the plan  
133 proposal based on the comments;

134 (4) Describe how the organization shall notify affected producers of their  
135 obligations under sections 260.1160 to 260.1188;

136 (5) Describe how the organization shall track compliance among producers and  
137 shall collaborate with the director to bring producers into compliance;

138 (6) Include a comprehensive list of the covered materials included in the  
139 program in accordance with sections 260.1160 to 260.1188;

140 (7) Establish recycling practices that:

141 (a) Meet or exceed the convenience standards;

- 142           **(b) Use open, competitive, and fair procurement practices when entering into**  
143 **contracts with service providers, and, when entering into contracts with private service**  
144 **providers, adopt a preference for service providers with strong labor standards and**  
145 **worker safety practices;**
- 146           **(c) Ensure that any covered materials collected for recycling shall be transferred**  
147 **to a responsible end market; and**
- 148           **(d) Use environmentally sound management practices;**
- 149           **(8) Describe how the organization shall work with newspaper publishers and**  
150 **magazine and periodical publishers to accept print or online advertising in lieu of all or**  
151 **a portion of the producer responsibility dues for newspapers, magazines, and**  
152 **periodicals circulated within the state;**
- 153           **(9) Establish a funding mechanism that:**
- 154           **(a) Does not exceed the direct and indirect costs of implementing the program,**  
155 **including the costs of:**
- 156           **a. Providing recycling services under the program through contracts with**  
157 **service providers or reimbursement of recycling services costs under the reimbursement**  
158 **rates proposed under subdivision (10) of this subsection;**
- 159           **b. Meeting the reporting requirements set forth in section 260.1174;**
- 160           **c. Conducting the needs assessment;**
- 161           **d. Developing and updating the final plan;**
- 162           **e. Implementing the education and outreach program under state law;**
- 163           **f. Reimbursing the department for its costs in administering and implementing**  
164 **sections 260.1160 to 260.1188, including the costs of the advisory board; and**
- 165           **g. Reimbursing the department for the costs of enforcing sections 260.1160 to**  
166 **260.1188;**
- 167           **(b) Is funded through producer responsibility dues. The producer**  
168 **responsibility dues shall vary by the type of covered material, whether the material is**  
169 **readily recyclable, and be based on the net recycling services costs for each covered**  
170 **material in the state. The organization may use up to five percent of the producer**  
171 **responsibility dues collected from producers for administration of the program, over the**  
172 **terms of the program, in accordance with generally accepted accounting principles, but**  
173 **the organization shall not use any producer responsibility dues collected from producers**  
174 **to pay employee bonuses;**
- 175           **(c) Requires:**
- 176           **a. Any surplus moneys generated by the program to be placed back into the**  
177 **program for program improvements or a reduction in producer responsibility dues;**

- 178           **b. The organization to maintain a financial reserve sufficient to operate the**  
179 **program in a fiscally prudent and responsible manner; and**
- 180           **c. Annual updates to the producer responsibility dues schedule to reflect changes**  
181 **in program costs and relevant plan revisions and how the organization shall solicit and**  
182 **incorporate input from all producers in setting and revising the annual producer**  
183 **responsibility dues schedule;**
- 184           **(d) Includes ecomodulation factors that lower producer responsibility dues to**  
185 **incentivize:**
- 186           **a. Reductions in the amount of packaging materials used for products;**  
187           **b. Innovations and practices to enhance the recyclability or commodity value of**  
188 **covered materials;**
- 189           **c. High levels of postconsumer recycled material use;**  
190           **d. Designs for the reuse and refill of covered materials; and**  
191           **e. High recycling and refill rates of covered materials;**
- 192           **(e) Includes ecomodulation factors that increase producer responsibility dues to**  
193 **discourage:**
- 194           **a. Designs and practices that increase the costs of recycling, reusing, or**  
195 **composting covered materials;**
- 196           **b. Designs and practices that disrupt the recycling of other materials; and**  
197           **c. Producers from using covered materials that are not on the minimum**  
198 **recyclable list; and**
- 199           **(f) At the request of a producer or producers of a covered material, shall include**  
200 **a special assessment paid by the producers of that covered material to cover system**  
201 **improvements that improve the collection and recycling of that covered material or**  
202 **facilitate the addition of the covered material to the list of readily recyclable materials;**
- 203           **(10) Include reimbursement rates for one hundred percent of the net recycling**  
204 **services costs of the recycling services provided by service providers under the program**  
205 **consistent with the requirements of section 260.1168. The reimbursement rates shall:**
- 206           **(a) Be calculated using an objective cost formula or formulas;**  
207           **(b) Incorporate the relevant cost information identified by the needs assessment**  
208 **under subsection 3 of this section;**
- 209           **(c) Be calculated on a per-unit basis such as per ton, per household, or other unit**  
210 **of measurement; and**
- 211           **(d) Take into account:**
- 212           **a. Regional recycling services costs;**  
213           **b. Population density;**  
214           **c. The number and types of households served;**

- 215           **d. The collection method used;**  
216           **e. The revenue generated from covered materials;**  
217           **f. The amount of inbound contamination and other factors affecting the quality**  
218 **of covered materials; and**  
219           **g. Other demographic factors identified in the needs assessment under**  
220 **subdivision (1) of subsection 3 of this section;**  
221           **(11) Describe the process to evaluate and revise the objective cost formulas as**  
222 **necessary and using documented costs. If the plan proposal includes more than one**  
223 **objective cost formula for recycling services, the plan proposal shall describe the**  
224 **conditions under which each formula shall be applied;**  
225           **(12) Include a schedule of reimbursement rates for service providers that elect to**  
226 **participate in the program and be reimbursed by the organization for providing**  
227 **recycling services for the program and describe a process for updating the schedule**  
228 **periodically and as necessary;**  
229           **(13) Include a proposed budget and a description of the process used to**  
230 **determine producer responsibility dues, including a de minimis level in which no dues**  
231 **are charged and an optional flat rate for producers below a certain size to minimize the**  
232 **administrative and reporting costs of the producers and the organization;**  
233           **(14) Describe a plan that outlines, if the organization ceases to exist or ceases to**  
234 **administer the program, how any producer responsibility dues that have not been used**  
235 **to implement the program shall be transferred to another organization designated by**  
236 **the director under subdivision (1) of subsection 1 of this section to administer the**  
237 **program or shall be transferred to the fund to be managed by the department until**  
238 **transferred to another designated organization;**  
239           **(15) Include the minimum recyclable list established in accordance with section**  
240 **260.1168;**  
241           **(16) Set targets for the minimum collection rates, minimum recycling rates, and**  
242 **minimum postconsumer-recycled-content rates for certain types of covered materials,**  
243 **including paper products, glass, metal, and plastic, that the state shall strive to meet by**  
244 **January 1, 2034, and January 1, 2039;**  
245           **(17) Describe how the organization plans to continue to increase the state's**  
246 **minimum collection rates, minimum recycling rates, and minimum postconsumer-**  
247 **recycled-content rates after January 1, 2034, and January 1, 2039;**  
248           **(18) Describe how the organization shall verify minimum postconsumer-**  
249 **recycled-content rates and how postconsumer-recycled-content rates shall be calculated**  
250 **using weight and other metrics and describe any waivers from minimum postconsumer-**  
251 **recycled-content rates granted to a type or subcategory of covered materials and the**

252 **criteria for evaluating such waivers, including food safety requirements, technological**  
253 **feasibility, or inadequate supply, and how often the waivers shall be reviewed;**

254 **(19) Describe how the organization shall provide producers with the opportunity**  
255 **to purchase postconsumer-recycled materials from processors at market prices if the**  
256 **producer is interested in obtaining recycled feedstock to achieve minimum**  
257 **postconsumer-recycled-content rates;**

258 **(20) Describe how the organization shall reduce or offset the producer**  
259 **responsibility dues for any producer or group of producers that fund or operate a**  
260 **collection program that:**

261 **(a) Covers a specific type of covered material that is not processed by materials**  
262 **recovery facilities; and**

263 **(b) Has recycling rates that meet or exceed the minimum recycling rate target set**  
264 **forth in the plan proposal under this subsection;**

265 **(21) Describe how the organization shall work with service providers to:**

266 **(a) Utilize and expand on existing recycling services and infrastructure and**  
267 **existing education and outreach programs;**

268 **(b) Reduce contamination of covered materials delivered to materials recovery**  
269 **facilities and compost facilities by:**

270 **a. Requiring each materials recovery facility and compost facility participating**  
271 **in the program to report annually to the organization on contamination levels at each**  
272 **facility; and**

273 **b. Providing funding or other assistance to compost facilities to reduce the costs**  
274 **of managing or increase the effectiveness of efforts to manage contamination and to**  
275 **process and recover compostable packaging materials;**

276 **(c) Invest in new or upgraded recycling infrastructure;**

277 **(d) Propose an approach to measure and report on the use of reusable and**  
278 **refillable covered materials and establish goals and strategies for increasing the use of**  
279 **reusable and refillable covered materials;**

280 **(e) Mitigate the impacts of covered materials on other materials and equipment**  
281 **at sorting and processing facilities;**

282 **(f) Invest in market development for covered materials in the state; and**

283 **(g) Increase the recycling of collected covered materials;**

284 **(22) Describe how the organization shall work with and incentivize producers to**  
285 **reduce the packaging of products using covered materials through product design**  
286 **changes, the development or expansion of systems for reusable packaging, and product**  
287 **innovation;**

288           **(23) Describe how the program shall prioritize the use of end markets that**  
289 **return postconsumer recycled materials to their original product type;**

290           **(24) Describe how the organization shall evaluate and monitor the use of**  
291 **responsible end markets through methods such as processor contracts or financial**  
292 **incentives;**

293           **(25) Describe how the organization shall implement the education and outreach**  
294 **program;**

295           **(26) Describe a process and timeline, beginning no later than 2028, to expand**  
296 **recycling services to applicable nonresidential covered entities, as identified in the needs**  
297 **assessment under subsection 3 of this section; and**

298           **(27) Include any additional information required by the department.**

299           **5. (1) The advisory board shall review the plan proposal for compliance with**  
300 **sections 260.1160 to 260.1188. The advisory board shall consult with the organization**  
301 **throughout its review of the plan proposal. Within ninety days after the submission of**  
302 **the plan proposal to the advisory board, the advisory board shall either provide any**  
303 **recommended amendments to the plan proposal to the organization or, if the advisory**  
304 **board does not have any recommended amendments, forward the plan proposal to the**  
305 **director. The organization shall provide responsive answers to the advisory board's**  
306 **recommendations and submit the amended plan proposal to the advisory board within**  
307 **sixty days after its receipt of the recommended amendments. Within forty-five days**  
308 **after the submission of the amended plan proposal to the advisory board, the advisory**  
309 **board shall forward the amended plan proposal to the director with its recommendation**  
310 **for approval or rejection and, if applicable, a written explanation of the basis for**  
311 **recommending rejection of the plan proposal. Within eight days after receiving the plan**  
312 **proposal, the director shall post the plan proposal on the department's website and**  
313 **provide public notice and an opportunity to comment on the plan proposal.**

314           **(2) Within one hundred twenty days after receiving the plan proposal or**  
315 **amended plan proposal, the director shall:**

316           **(a) Approve the plan proposal or amended plan proposal; or**

317           **(b) Reject the plan proposal or amended plan proposal.**

318           **(3) If the director rejects the plan proposal or amended plan proposal, the**  
319 **director shall notify the organization of the rejection and the reasons for the rejection.**  
320 **The reasons shall be based on the failure of the plan proposal or amended plan proposal**  
321 **to comply with the requirements specified in subsection 4 of this section. The**  
322 **organization shall submit a new plan proposal to the advisory board within sixty days**  
323 **after receiving the director's rejection. The new plan proposal shall be reviewed by the**

324 advisory board and the new plan proposal or new amended plan proposal shall be  
325 reviewed and approved or rejected by the director in accordance with this subsection.

326 (4) (a) If the director approves the plan proposal or amended plan proposal  
327 under this subsection, the director shall designate the plan proposal or amended plan  
328 proposal as the final plan and shall publish the final plan on the department's website.

329 (b) The organization shall begin implementing the final plan within six months  
330 after it is approved.

331 6. (1) The organization shall submit proposed amendments to the final plan  
332 annually to the advisory board for inclusion in the annual report under section  
333 260.1174. At least sixty days prior to the deadline to submit the annual report, the  
334 department shall request that the organization submit an amendment to the annual plan  
335 to address a specific concern or aspect of the plan. At least thirty days prior to  
336 submitting the annual report under section 260.1174, the organization shall consult with  
337 the advisory board on any proposed amendments to the final plan. The advisory board  
338 shall submit any proposed amendments to the director. The director shall approve or  
339 reject the proposed amendments based on the plan proposal requirements specified in  
340 subsection 4 of this section.

341 (2) The organization shall continue to operate the program in accordance with  
342 the final plan pending the approval or rejection of a proposed amendment by the  
343 director. The director's rejection of a proposed amendment under this subsection does  
344 not relieve the organization of its responsibility to continue to operate the program in  
345 accordance with the final plan.

346 7. The director shall enforce sections 260.1160 to 260.1188 and the department  
347 shall promulgate rules as may be necessary for the administration of sections 260.1160  
348 to 260.1188. Notwithstanding any law to the contrary, the organization shall not make  
349 any determination as to a person's compliance under sections 260.1160 to 260.1188.

350 8. (1) On January 1, 2030, and each January first thereafter, as an alternative to  
351 participating in the program, a producer shall submit to the advisory board an  
352 individual program plan proposal. A producer shall notify the department of its intent  
353 to submit an individual program plan proposal by January 1, 2029, and by each  
354 January first thereafter. The individual program plan proposal shall:

355 (a) Comply with the requirements of subsection 4 of this section, as applicable;

356 (b) Describe how the producer participating in the individual program plan  
357 proposal shall contribute to the costs of the department in overseeing the program;

358 (c) Describe how the producer shall reimburse service providers that provide  
359 recycling services for the covered materials covered by the individual program plan  
360 proposal; and

361 (d) Describe any alternative collection programs run by the producer and its  
362 recycling rates.

363 (2) The advisory board shall review and make recommendations on, and the  
364 director shall approve or reject, any individual program plan proposals in accordance  
365 with the procedures set forth in subsection 5 of this section. After the director approves  
366 the individual program plan proposal, the director shall designate the individual  
367 program plan proposal as the plan that the producer is authorized to implement and  
368 administer as an alternative to participating in the program.

369 (3) The producer implementing a plan described in this subsection shall submit  
370 any amendments to the plan to the advisory board in accordance with subsection 6 of  
371 this section. The advisory board shall review and make recommendations on, and the  
372 director shall approve or reject, any amendments to the plan in accordance with  
373 subsection 6 of this section.

260.1168. 1. (1) The organization shall develop a minimum recyclable list based  
2 on the availability of recycling services, recycling collection and processing  
3 infrastructure, and recycling end markets for covered materials, as determined by  
4 the needs assessment.

5 (2) The organization shall update the minimum recyclable list, and submit any  
6 updates for inclusion in the annual report under section 260.1174, in response to  
7 recycling collection and processing improvements and changes in recycling end markets.  
8 The advisory board shall consult with the organization on any updates to the minimum  
9 recyclable list in accordance with the procedures set forth in subsection 5 of section  
10 260.1166.

11 2. (1) To be eligible for reimbursement for recycling services provided under the  
12 program, service providers shall provide recycling services for all readily recyclable  
13 materials in a manner that facilitates attaining the rate targets established in the final  
14 plan under subsection 4 of section 260.1166.

15 (2) The director may grant a service provider an exception to the requirements  
16 under subdivision (1) of this subsection if the service provider demonstrates to the  
17 reasonable satisfaction of the director that it is not able to provide recycling services or  
18 meet the convenience standards for a readily recyclable material.

19 (3) Service providers are eligible for reimbursement from the organization for  
20 the collection of covered materials that are not included in the minimum recyclable list  
21 for the regions where the organization has established a reasonable cost for the  
22 supplemental collection of covered materials that are not readily recyclable and a  
23 responsible end market has been established. The services described in this subdivision  
24 are not subject to the convenience standards.

25           **(4) The organization shall reimburse service providers for the recycling services**  
26 **costs to provide recycling services for all readily recyclable materials and covered**  
27 **materials that the organization approves under subdivision (3) of this subsection.**

28           **(5) Notwithstanding any law to the contrary, nothing in sections 260.1160 to**  
29 **260.1188 shall restrict a service provider from collecting or processing covered materials**  
30 **that are not included in the minimum recyclable list.**

31           **3. (1) The organization shall contract with service providers to provide covered**  
32 **entities with convenient and equitable access to recycling services for all readily**  
33 **recyclable materials, at no charge to the covered entity, with the goal of achieving the**  
34 **recycling rate, collection rate, and postconsumer-recycled-content rate targets**  
35 **established in the final plan under section 260.1166.**

36           **(2) The collection of readily recyclable materials shall be provided in a manner**  
37 **that is as convenient as the collection of solid waste in the geographic area in which the**  
38 **covered entity is located.**

39           **(3) Any covered entities in the state that are receiving recycling services on**  
40 **December 31, 2026, shall continue to receive equivalent recycling services through the**  
41 **program or a service provider on and after December 31, 2026.**

42           **(4) The organization shall not restrict a person's ability to contract directly with**  
43 **service providers to obtain recycling services for covered materials.**

44           **(5) Notwithstanding any law to the contrary, nothing in sections 260.1160 to**  
45 **260.1188 voids or cancels any contract between a resident and a service provider for the**  
46 **provision of recycling services that is executed prior to December 31, 2026.**

**260.1170. 1. The organization shall develop and implement a statewide**  
2 **education and outreach program that is designed to increase the recycling and reuse of**  
3 **covered materials and includes education and outreach on:**

4           **(1) Proper end-of-life management of covered materials;**

5           **(2) The location and availability of recycling services under the program; and**

6           **(3) How to prevent littering in the process of providing recycling services for**  
7 **covered materials.**

8           **2. The education and outreach program shall, at a minimum:**

9           **(1) Provide clear and concise recycling instructions that are consistent statewide**  
10 **and accessible for all demographic groups;**

11           **(2) Coordinate with existing recycling education materials and services provided**  
12 **throughout the state; and**

13           **(3) Be designed to help the state achieve the minimum collection rate and**  
14 **minimum recycling rate targets established in the final plan under section 260.1166 and**

15 reduce levels and impacts of inbound contamination from covered materials at  
16 materials recovery facilities and compost facilities.

17       **3. The organization shall consult with the advisory board and other entities**  
18 **providing recycling education in the state on the development and distribution of**  
19 **education outreach services and materials. The organization shall contract with service**  
20 **providers, local governments, and nonprofit organizations to conduct recycling**  
21 **education and outreach services under the education and outreach program**  
22 **developed under subsection 1 of this section.**

23       **4. The organization shall develop a proposed methodology for evaluating and**  
24 **reporting on the effectiveness of the education and outreach program.**

**260.1172. 1. Beginning July 1, 2029, a producer shall not sell or distribute any**  
2 **products that use covered materials in the state unless the producer is participating in**  
3 **the program or, on or after January 1, 2029, except as set forth in the final plan or any**  
4 **other plan approved by the director under sections 260.1160 to 260.1188. A producer**  
5 **shall report the data necessary to meet its plan obligations and shall use prorated**  
6 **national data if state-specific data is not available or feasible to generate.**

7       **2. (1) On January 1, 2033, and every January first thereafter, a nonprofit**  
8 **organization may request that the director designate the nonprofit organization as an**  
9 **additional producer responsibility organization.**

10       **(2) The director may designate a nonprofit organization as an additional**  
11 **producer responsibility organization if the director, in coordination with the advisory**  
12 **board, determines that the designation of the additional producer responsibility**  
13 **organization is necessary to:**

14       **(a) Increase recycling rates;**

15       **(b) Expand recycling services to covered entities that are not covered under the**  
16 **final plan; or**

17       **(c) Provide recycling services for a specific type of covered material.**

18       **(3) If the director designates an additional producer responsibility organization**  
19 **under paragraph (b) of subdivision (2) of this subsection, the additional producer**  
20 **responsibility organization shall submit a coordination plan to the director for approval**  
21 **in accordance with the rules promulgated. Within one hundred twenty days after the**  
22 **designation of the first additional producer responsibility organization, the director**  
23 **shall promulgate by rule standards and requirements for a coordination plan and for**  
24 **coordination between the organization and any additional producer responsibility**  
25 **organizations designated by the director. A coordination plan approved or ordered by**  
26 **the director shall be implemented by the organization and any additional producer**  
27 **responsibility organizations designated by the director. If the coordination plan**

28 **conflicts with the final plan or any other plan approved by the director under sections**  
29 **260.1160 to 260.1188, the provisions of the coordination plan prevail. A coordination**  
30 **plan approved or ordered by the director is valid until revoked or until a new**  
31 **coordination plan is approved or ordered by the director.**

32 **3. The director, the advisory board, the organization, an additional producer**  
33 **responsibility organization, and any other person administering a plan approved by the**  
34 **director under sections 260.1160 to 260.1188:**

35 **(1) Shall keep confidential any proprietary information provided by a producer;**  
36 **and**

37 **(2) Shall not include any proprietary information provided by a producer in the**  
38 **plan proposal, the amended plan proposal, the final plan, any other plan approved by**  
39 **the director under sections 260.1160 to 260.1188, or any amendment to the final plan or**  
40 **other plan approved by the director under sections 260.1160 to 260.1188.**

41 **4. (1) The program and any other plan approved by the director under sections**  
42 **260.1160 to 260.1188 shall comply with any fire, solid waste, or other relevant**  
43 **ordinances or resolutions adopted by a local government and with applicable state and**  
44 **federal laws.**

45 **(2) Notwithstanding any law to the contrary, a local government is not required**  
46 **to provide recycling services under the program or any other plan approved by the**  
47 **director under sections 260.1160 to 260.1188. To the extent that a local government**  
48 **elects to provide recycling services under the program or any other plan approved by**  
49 **the director under sections 260.1160 to 260.1188, the organization, additional producer**  
50 **responsibility organization, or other person responsible for administering a plan**  
51 **approved by the director under sections 260.1160 to 260.1188 shall reimburse the local**  
52 **government for those recycling services and the final plan or any other plan approved**  
53 **by the director under sections 260.1160 to 260.1188.**

54 **(3) A local government that receives reimbursement funds from the organization**  
55 **shall use such funds for the local government's recycling program.**

56 **5. The organization, any additional producer responsibility organization, and**  
57 **any person administering a plan approved by the director under sections 260.1160 to**  
58 **260.1188 shall cause to be conducted an annual financial audit of the program or any**  
59 **other plan approved by the director under sections 260.1160 to 260.1188 by an**  
60 **independent third-party auditor. The audit shall include a detailed list of the program's**  
61 **or plan's costs and revenues from the producer responsibility dues.**

62 **6. Notwithstanding any law to the contrary, the organization and any additional**  
63 **producer responsibility organization shall not be considered a state-sponsored or state-**

64 owned entity. Employees of the organization and any additional producer responsibility  
65 organization shall not be considered employees of the state.

66 7. The organization, any additional producer responsibility organization, and  
67 any person administering a plan approved by the director under sections 260.1160 to  
68 260.1188 shall preserve all books and records in accordance with state and federal laws  
69 and be open to inspection by the department at any time.

260.1174. 1. (1) Except as set forth in a plan approved by the director under  
2 sections 260.1160 to 260.1188 on or after January 1, 2033, by a date determined by the  
3 organization that is no later than January 1, 2030, and annually thereafter by a date  
4 determined by the organization, a producer shall pay producer responsibility dues to  
5 the organization based on the funding mechanism described in the plan proposal under  
6 section 260.1166.

7 (2) A producer shall make all documents and records related to the calculation  
8 and payment of producer responsibility dues, recycling rates, collection rates,  
9 postconsumer-recycled-content rates, and any other materials necessary for the  
10 director to determine compliance with sections 260.1160 to 260.1188 available for  
11 inspection by the director. In connection with enforcing a violation by a producer under  
12 section 260.1176, the director shall request in writing that the producer provide any  
13 such documents or records to the director.

14 (3) The organization, any additional producer responsibility organization, and  
15 any person administering a plan approved by the director under sections 260.1160 to  
16 260.1188 shall maintain all documents and records necessary for the director to  
17 determine compliance with sections 260.1160 to 260.1188 and submit any such  
18 documents and records to the director upon a request by the director under this  
19 subsection.

20 (4) By January 1, 2030, and each year thereafter, the director shall develop an  
21 ecomodulation bonus schedule that is designed to reduce the producer responsibility  
22 dues of producers that meet certain benchmarks established by the director by rule.  
23 The director shall consult with the organization and the advisory board in developing  
24 the ecomodulation bonus schedule. The organization shall reduce the producer  
25 responsibility dues of producers in accordance with the ecomodulation bonus schedule  
26 developed by the director.

27 2. (1) Before April first of the second year of the program's implementation, and  
28 by April first each year thereafter, the organization shall submit a report to the advisory  
29 board describing the progress of the program. Within two years after the  
30 implementation of the final plan or any updated plan proposals submitted to the  
31 advisory board under section 260.1166 the report shall also include an evaluation of the

32 **impacts of the exemptions described in section 260.1182 on the performance of the**  
33 **program and the producer responsibility dues schedule. The advisory board shall**  
34 **review the report and forward the report to the director. The advisory board shall also**  
35 **review any proposed amendments to the final plan and any updates to the minimum**  
36 **recyclable list and forward the amendments and updates to the director with its**  
37 **recommendation for approval or rejection. The director shall post the report on the**  
38 **department's website. The program report shall include the following information from**  
39 **the preceding calendar year:**

40 **(a) A detailed description of the progress toward each element of the final plan**  
41 **as described in subsection 4 of section 260.1166;**

42 **(b) A list of all the producers, brands, and covered materials covered by the final**  
43 **plan;**

44 **(c) A list of producers that are not participating in the program and any**  
45 **producers that shall be out of compliance with one or more obligations imposed by**  
46 **sections 260.1160 to 260.1188;**

47 **(d) The total weight of the covered materials that producers used for products**  
48 **that are sold or distributed in the state;**

49 **(e) The total amount of producer responsibility dues collected under the**  
50 **program, including an annual schedule of producer responsibility dues assessed by**  
51 **weight for each type of covered material and any annual increases or decreases in the**  
52 **dues schedule and the reasons for these adjustments;**

53 **(f) The total weight of each type of covered material that is collected and**  
54 **recycled under the program, with the data broken down by:**

55 **a. Means of collection, including by curbside service or drop-off center or other**  
56 **means;**

57 **b. The number of covered entities, by type and by county, serviced through**  
58 **curbside collection;**

59 **c. The method used to handle the collected covered material; and**

60 **d. Geographic area;**

61 **(g) The recycling rate, collection rate, and postconsumer-recycled-content rate**  
62 **for each type of covered material and a description of the organization's process in**  
63 **achieving the minimum rate targets set forth in the final plan under subsection 4 of**  
64 **section 260.1166;**

65 **(h) The rate schedules for reimbursement to service providers, any proposed**  
66 **adjustments to the rate schedules, and a summary of any disputes arising between the**  
67 **organization and service providers concerning rates and how the disputes were**  
68 **addressed;**

69 (i) A summary of the education and outreach efforts implemented in accordance  
70 with section 260.1170, including:

71 a. Samples of any materials distributed; and

72 b. A description of the methodology used and the results of the evaluation  
73 conducted under section 260.1170;

74 (j) A list of the names, locations, and hours of operation for curbside services,  
75 drop-off centers, and other entities accepting or collecting covered materials under the  
76 program;

77 (k) A description of the organization's efforts to ensure that covered materials  
78 have been responsibly managed and delivered to responsible end markets under the  
79 program;

80 (l) A list of the recycling end markets of any covered materials, and, if the  
81 covered materials are processed through a method other than mechanical recycling, the  
82 list shall include:

83 a. A description of how the method shall affect the ability to recycle the covered  
84 material into feedstock for the manufacture of new products;

85 b. A description of how the method shall increase the types and amounts of  
86 recycled plastic for food and pharmaceutical-grade packaging and applications;

87 c. A description of any applicable state and federal air, water, and waste  
88 permitting compliance requirements for the method; and

89 d. An analysis of the environmental impacts of the method compared to the  
90 environmental impacts of incineration of solid waste in landfills;

91 (m) A copy of an independent third party's report auditing the program under  
92 subsection 5 of section 260.1172;

93 (n) A description of the status of reserve funds, an assessment of the adequacy of  
94 those funds to cover program costs, and a description of how any program shortfalls  
95 shall be addressed;

96 (o) Any amendments to the final plan in accordance with section 260.1166;

97 (p) Any updates to the minimum recyclable list in accordance with section  
98 260.1168; and

99 (q) A description of the advisory board's feedback on any amendments to the  
100 final plan under section 260.1166.

101 (2) Before April first of the second year of any plan approved by the director  
102 under sections 260.1160 to 260.1188 that is not the final plan, and by April first each  
103 year thereafter, an additional producer responsibility organization or other person  
104 responsible for administering a plan approved by the director under sections 260.1160  
105 to 260.1188 shall submit a report to the advisory board describing the progress of the

106 **plan. The report shall include the information described in this subsection, as**  
107 **applicable, from the preceding calendar year. The advisory board shall review the**  
108 **report and forward the report to the director. The advisory board shall also review any**  
109 **proposed amendments to the plan and forward the amendments to the director with its**  
110 **recommendation for approval or rejection. The director shall post the report on the**  
111 **department's website.**

112 **(3) The director shall annually compile the results of the reports received under**  
113 **this subsection into a general report describing the progress of the program and any**  
114 **other plans approved by the director under sections 260.1160 to 260.1188. The director**  
115 **shall include the department's activities and expenses that were reimbursed under**  
116 **section 260.1186 in the general report. Additionally, at least every three years starting in**  
117 **2028, the director shall include in the general report the outcome of the consumer cost**  
118 **impact review conducted by the department under this subsection. The director shall**  
119 **post the report on the department's website and submit the report to the governor and**  
120 **shall annually present the general report to the general assembly.**

121 **3. If, based on the annual report submitted under subsection 2 of this section, the**  
122 **program or any other plan approved by the director under sections 260.1160 to 260.1188**  
123 **is not on track to meet the minimum collection rates, minimum recycling rates, or**  
124 **minimum postconsumer-recycled-content rates set forth in the program or plan, the**  
125 **director may require the organization, with respect to the program, or the additional**  
126 **producer responsibility organization or other person responsible for administering the**  
127 **plan, with respect to any other plan approved by the director under sections 260.1160 to**  
128 **260.1188, to amend its respective plan under section 260.1166.**

129 **4. No less than every three years, starting on January 1, 2032, the department**  
130 **shall conduct a review of consumer cost impacts resulting from the program, including**  
131 **assessments of increased prices for covered materials relative to the prices for those**  
132 **materials in other states, as well as local government expenditures and consumer**  
133 **spending on recycling services and trash collection and disposal.**

**260.1176. 1. If the organization, an additional producer responsibility**  
2 **organization, a person administering a plan approved by the director under sections**  
3 **260.1160 to 260.1188, or a producer violates any portion of sections 260.1160 to 260.1188,**  
4 **the organization, additional producer responsibility organization, person administering**  
5 **a plan approved by the director under sections 260.1160 to 260.1188, or producer is**  
6 **liable for an administrative penalty not to exceed:**

7 **(1) For a first violation, an initial penalty of five thousand dollars for the first**  
8 **day of each violation and one thousand five hundred dollars per day for each day the**  
9 **violation continues;**

10           **(2) For a second violation committed within twelve months after a prior**  
11 **violation, an initial penalty of ten thousand dollars for the first day of each violation and**  
12 **three thousand dollars per day for each day the violation continues; and**

13           **(3) For a third or subsequent violation committed within twelve months after**  
14 **two or more prior violations, an initial penalty of twenty thousand dollars for the first**  
15 **day of each violation and six thousand dollars per day for each day the violation**  
16 **continues.**

17           **2. (1) If the organization, an additional producer responsibility organization, a**  
18 **person administering a plan approved by the director under sections 260.1160 to**  
19 **260.1188, or a producer violates any portion of sections 260.1160 to 260.1188, the**  
20 **director shall serve by personal service or by certified mail an order that imposes an**  
21 **administrative penalty on the organization, additional producer responsibility**  
22 **organization, person administering a plan approved by the director under sections**  
23 **260.1160 to 260.1188, or producer.**

24           **(2) The organization, additional producer responsibility organization, person**  
25 **administering a plan approved by the director under sections 260.1160 to 260.1188, or**  
26 **producer aggrieved or adversely affected by the director's order may submit a notice of**  
27 **appeal to the administrative hearing commission. The appeal shall be conducted in**  
28 **accordance with the provisions of section 621.250.**

29           **3. The director may enter into a settlement agreement with the organization,**  
30 **additional producer responsibility organization, person administering a plan approved**  
31 **by the director under sections 260.1160 to 260.1188, or producer assessed an**  
32 **administrative penalty under this section.**

33           **4. The director shall transfer any moneys collected under this section to the state**  
34 **treasurer, who shall credit the moneys as set forth in section 7, Article IX of the**  
35 **Constitution of Missouri.**

36           **5. Notwithstanding any law to the contrary, nothing in sections 260.1160 to**  
37 **260.1188:**

38           **(1) Creates a private right of action; or**

39           **(2) Authorizes enforcement of sections 260.1160 to 260.1188 against anyone**  
40 **other than the organization, an additional producer responsibility organization, a**  
41 **person administering a plan approved by the director under sections 260.1160 to**  
42 **260.1188, or a producer.**

**260.1178. If the program or any other plan approved by the director under**  
2 **sections 260.1160 to 260.1188 engages in an activity performed solely in furtherance of**  
3 **implementing the program or plan and in compliance with sections 260.1160 to**  
4 **260.1188, the activity is not a violation of the antitrust, restraint of trade, and unfair**

5 trade practices provisions of the Missouri antitrust law under sections 416.011 to  
6 416.161.

260.1180. Nothing in sections 260.1160 to 260.1188 affects a person's eligibility  
2 for any state or local incentive programs for which the person is otherwise eligible.

260.1182. 1. A producer is exempt from the requirements of sections 260.1160 to  
2 260.1188 if the producer is:

3 (1) A person with less than five million dollars in realized gross total revenue, not  
4 including on-premises alcohol sales, during the prior calendar year;

5 (2) A person that has used less than one ton of covered materials for products  
6 sold or distributed within or into the state during the prior calendar year;

7 (3) The state or a local government;

8 (4) A nonprofit organization;

9 (5) An agricultural employer, as the term is used in chapter 288, regardless of  
10 where the agricultural employer is located, with less than five million dollars in realized  
11 gross total revenue in the state from consumer sales of agricultural products sold under  
12 the brand name of the farmer, egg producer, grower, or individual grower cooperative;

13 (6) An individual business operating a retail food establishment that is located at  
14 a physical business location and that is licensed by local public health agencies, or city or  
15 county health departments under the standards adopted by the Missouri department of  
16 health and senior services; or

17 (7) A builder, a construction company, or construction contractors.

18 2. The department shall adjust by rule the dollar limitation set forth in  
19 subdivision (1) of subsection 1 of this section on July 1, 2027, and on July first of each  
20 year thereafter, based on the percentage increase measured by the Consumer Price  
21 Index for All Urban Consumers for the United States, or its successor index, as defined  
22 and officially recorded by the United States Department of Labor, or its successor  
23 agency, for the preceding year.

260.1184. 1. A person shall not charge any kind of point-of-sale or point-of-  
2 collection fee to consumers to recoup its costs in meeting the obligations of or complying  
3 with sections 260.1160 to 260.1188.

4 2. Notwithstanding any law to the contrary, a private service provider is not  
5 required to provide recycling services under the program or any other plan approved by  
6 the director under sections 260.1160 to 260.1188.

260.1186. 1. There is hereby created in the state treasury the "Producer  
2 Responsibility Program for Statewide Recycling Fund", which shall consist of all  
3 producer dues collected and transferred to the fund under sections 260.1160 to 260.1188  
4 and moneys appropriated to the fund by the general assembly for use by the department

5 of natural resources. The organization shall transmit a portion of the producer  
6 responsibility dues to the state treasurer for deposit into the fund for purposes of  
7 reimbursing:

8 (1) The department, including the advisory board, for the reasonable costs  
9 incurred in administering and implementing any portion of sections 260.1160 to  
10 260.1188; and

11 (2) The department for the reasonable costs incurred in enforcing sections  
12 260.1160 to 260.1188 as indicated in section 260.1176.

13 2. (1) By July 1, 2030, the department shall notify the organization of the costs in  
14 administering, implementing, and enforcing sections 260.1160 to 260.1188 since August  
15 28, 2026;

16 (2) By July first of each year after July 1, 2030, the department shall notify the  
17 organization of the costs of administering, implementing, and enforcing sections  
18 260.1160 to 260.1188 during the immediately preceding year; and

19 (3) Upon receipt of the department's cost accounting, the organization shall  
20 transmit to the state treasurer, for deposit in the fund, an amount of producer  
21 responsibility dues necessary to reimburse the department for its costs.

22 3. (1) The state treasurer shall be custodian of the fund. In accordance with  
23 sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund  
24 shall be a dedicated fund and, upon appropriation, moneys in this fund shall be used  
25 solely for the purposes of sections 260.1160 to 260.1188.

26 (2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys  
27 remaining in the fund at the end of the biennium shall not revert to the credit of the  
28 general revenue fund.

29 (3) The state treasurer shall invest moneys in the fund in the same manner as  
30 other funds are invested. Any interest and moneys earned on such investments shall be  
31 credited to the fund.

260.1188. The director shall promulgate all necessary rules and regulations for  
2 the administration of sections 260.1160 to 260.1188. Any rule or portion of a rule, as  
3 that term is defined in section 536.010, that is created under the authority delegated in  
4 this section shall become effective only if it complies with and is subject to all of the  
5 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter  
6 536 are nonseverable and if any of the powers vested with the general assembly  
7 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul

8 a rule are subsequently held unconstitutional, then the grant of rulemaking authority  
9 and any rule proposed or adopted after August 28, 2026, shall be invalid and void.

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