

**MINUTES OF THE  
SENATE COMMITTEE ON NATURAL RESOURCES**

**Eightieth Session  
April 2, 2019**

The Senate Committee on Natural Resources was called to order by Chair Melanie Scheible at 4:03 p.m. on Tuesday, April 2, 2019, in Room 2144 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Melanie Scheible, Chair  
Senator Chris Brooks, Vice Chair  
Senator Dallas Harris  
Senator Pete Goicoechea  
Senator Ira Hansen

**GUEST LEGISLATORS PRESENT:**

Senator James Ohrenschall, Senatorial District No. 21  
Assemblyman John Ellison, Assembly District No. 33

**STAFF MEMBERS PRESENT:**

Alysa Keller, Committee Policy Analyst  
Erin Sturdivant, Committee Counsel  
Steve Woodbury, Committee Secretary

**OTHERS PRESENT:**

Henry Krenka, President, Nevada Outfitters and Guides Association  
Rachel Buzzetti, Nevada Outfitters and Guides  
Ron Lara, Western Wildlife Adventures  
Mitch Buzzetti, Nevada High Desert Outfitters  
Chris Hall, Western Wildlife Adventures  
Michael John Jurad, Nevada Outfitters and Guide Association; Mountain Man Outfitters;

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Paul Strasdin, Sage-N-Pine Guide and Outfitters  
Cary Jellison, G&J Outdoors  
Shane Evans  
Tiffany East, Board of Wildlife Commissioners  
Tyler Turnipseed, Chief Game Warden, Department of Wildlife  
Nova Murray, Deputy Administrator, Division of Welfare and Supportive  
Services, Department of Health and Human Services  
Jeff Kinder, Deputy Administrator, Sustainable Materials Management Program,  
Division of Environmental Protection, Department of Conservation and  
Natural Resources  
Andy Maggi, Nevada Conservation League  
Susan Fisher, C&S Waste Solutions of Nevada  
Patrick Donnelly, Center For Biological Diversity  
John Shea, President, C&S Waste Solutions of Nevada  
Tara Pike, University of Nevada Las Vegas Recycling Program  
Tobi Tyler, Sierra Club, Toiyabe Chapter  
Bree Dietly, American Beverage Association  
Andy Peterson, Retail Association of Nevada  
Alfredo Alonso, Nevada Beer Wholesalers Association  
Paul Moradkhan, Las Vegas Metro Chamber of Commerce  
Sean Higgins, Republic Services  
Chris Ferrari, MillerCoors  
Michael Hillerby, Anheuser-Busch  
Nick Vander Poel, Reno Sparks Chamber of Commerce  
Brian Northam, Environmental Health Supervisor, Solid Waste and Compliance  
Section, Southern Nevada Health District  
Misty Grimmer, Nevada Resort Association  
Greg Lovato, Administrator, Division of Environmental Protection, State  
Department of Conservation and Natural Resources  
Dylan Shaver, City of Reno

CHAIR SCHEIBLE:

I will open the hearing on Senate Bill (S.B.) 275.

**SENATE BILL 275**: Makes various changes relating to licensing and regulation of  
master guides and subguides. (BDR 45-150)

SENATOR PETE GOICOECHEA (Senatorial District No. 19):

Senate Bill 275 creates a Board to License Master Guides and Subguides in the Department of Wildlife (NDOW) and to help oversee the guides and outfitters in that industry in Nevada. Section 8 contains most of the new language, including the creation of the Board that would license master guides and subguides. This Board would consist of five members appointed by the Governor and would be created within NDOW. This bill stipulates the composition of the Board, including enforcement officers and others.

Section 9 requires the Board to meet as necessary at the call of the Chair or majority of Board members. The Board would exist strictly to deal with applications, complaints and other business pertaining to the guide industry.

This industry has been in existence for a long time, and there is little State oversight or response to complaints. It is difficult for NDOW to enforce applicable laws. The Board would have the ability to create needed regulations to carry out the provisions in *Nevada Revised Statutes* (NRS) 504.

Sections 7 through 10 of the bill are related to the governance of guide service conduct. The intent is for the guides to police themselves under the regulations that will be developed.

Section 11 establishes annual licensure fees; \$750 for Nevada resident master guides and \$125 for Nevada resident subguides. Fees for out-of-state guides are also established. Section 11, subsection 11 states that:

Any money received by the Board for the payment of fees pursuant to this section must be accounted for separately, deposited with the State Treasurer for credit to the Wildlife Account and used by the Board ...

This fee revenue is used to carry out the provisions in this bill.

This Board would provide oversight of the guide industry that is lacking today. It is very difficult for NDOW to oversee hunting and guide services Statewide. Guides are currently required to have permits from both the U.S. Forest Service and the U.S. Bureau of Land Management to guide in certain areas, and it is very challenging for NDOW's Law Enforcement Division to know where all the guides are. The guides are very aware of their industry and those operating in

the State. Approximately 15 to 20 percent of the State guide industry are here today in support of this bill to allow them to govern themselves. Client and guide complaints must be addressed.

HENRY KRENKA (President, Nevada Outfitters and Guides Association):  
I will read from my written testimony in support of S.B. 275 ([Exhibit C](#)).

ASSEMBLYMAN JOHN ELLISON (Assembly District No. 33):  
My district includes Elko, Ely, Eureka and Caliente, a large part of the State affected by this bill. I hope NDOW is here to speak in favor of this bill, because it has been needed for a long time. I agree with everything that Senator Goicoechea said in his presentation.

RACHEL BUZZETTI (Nevada Outfitters and Guides):  
I will read from my written testimony in support of S.B. 275 ([Exhibit D](#)).

RON LARA (Western Wildlife Adventures):  
I am a master guide for Western Wildlife Adventures and am in support of this bill. I have been in this business for 25 years. I am from California and pay twice as much to guide in this State as Nevada residents do, but it is worth it because Nevada is a great place to be. I represent roughly 8 to 10 percent of Californians who come to Nevada to hunt, well over 100 people from the 1,200 who apply. We have successfully brought over 2,500 California hunters to Nevada. I have helped the Nevada Outfitters and Guides Association (NOGA) remain financially solvent and assist with their bookkeeping. The Association has secured grant funding and been successful in promoting the guide industry. Support from NDOW has decreased over the years. I want to ensure this industry continues to be sustained in the future.

MITCH BUZZETTI (Nevada High Desert Outfitters):  
I have owned and operated an outfitting business in northeastern Nevada for 20 years. This new Board's mission will be to serve, protect and maintain quality and professionalism within the hunting, fishing and guiding industry. It would also license, regulate and evaluate outfitters and guides and enforce applicable laws, rules and regulations. This would be done by representatives who best know the industry. In the past, we have been licensed and regulated by NDOW and the Wildlife Commission, which have many demands and limited resources. These entities have historically demonstrated some opposition to the

guide industry by passing regulations that have greatly impacted the industry. This will continue to occur without industry representation.

Another issue of concern is the illegal and unethical actions of unlicensed guides that are unregulated and which give our industry a black eye and a bad reputation. There are many examples of this, and it continues in our industry. The NDOW struggles with this problem. The industry continues to pay license fees, but there is a lack of accountability on how the fees are used.

The guide industry has many hardworking people, working from daylight to dark, packing, hiking, hunting, fishing and setting up and taking down camps. We provide a service to the public, and we do it all with safety in mind and the intent to please.

This bill attempts to create a solution for the guide industry to have adequate regulation and oversight. It provides for more direct input in the decision-making process. It includes NDOW, the guide industry, the Wildlife Commission and sportsmen as well.

CHRIS HALL (Western Wildlife Adventures):

I am one of the newer, up-and-coming outfitters in the State. Our clients have had some bad experiences in the past, and we want to gain their trust so they will want to book with us and come to this wonderful State to hunt. Creating this Board will give our clients the assurance that there is an entity they can go to if they have a bad experience and where background checks and verification of licensure can be provided. I support S.B. 275.

MICHAEL JOHN JURAD (Nevada Outfitters and Guide Association; Mountain Man Outfitters):

I have been a licensed outfitter since 2008 and was a licensed subguide for two years before that. I am in support of S.B. 275.

PAUL STRASDIN (Sage-n-Pine Guide and Outfitters):

I have been guiding in this State since 1988, about 30 years. I am in favor of this bill. I think the Board will be more connected to the industry and would be able to regulate in a manner that would make the industry stronger in Nevada. We live in one of the greatest states around, and that is why we are here. I urge the Committee's support of S.B. 275.

CARY JELLISON (G&J Outdoors):

I have been a full-time outfitter since 1995, and I agree with previous testimony. At least once a year I receive a call from someone looking to go on a hunt who shares how bad their previous experience was. In order for people to take action against a bad outfitter, they may have to travel long distances to return to Nevada to testify. There is one outfitter in the State that should not have a license. It is difficult for NDOW to take his license away because they cannot get disgruntled clients to travel back to Nevada to testify. For example, in December 2018, a hunter called me wanting to go on a mountain lion hunt seven days later. When asked why the short notice, he said he had a hunt booked, but the provider had cancelled the hunt at the last minute. I guessed who the provider was, and I was correct because he has repeatedly cancelled clients' trips. I support this measure and think it will help address this and other related issues.

SHANE EVANS:

I support S.B. 275. It would be a good step for transparency.

TIFFANY EAST (Board of Wildlife Commissioners):

The Board of Wildlife Commissioners (BWC) voted to oppose this bill at its March 15, 2019 meeting. The BWC does not think another board is necessary, when the BWC is charged with the same duties. Spending additional sportsmen's dollars, staff time and State funding is unnecessary. We are a neutral voice and body when faced with the kinds of appeals and revocations that have been mentioned in previous testimony.

Before joining the BWC in 2017, I understand that the NOGA and NDOW worked together and brought regulation changes to the BWC. This is the best way to support the industry, including those that do not belong to the NOGA. We welcome input from all parties and have various avenues to address regulation changes or appeals. The BWC is happy to discuss any matters of concern with the guides. I do not understand the comments made that the BWC does not have the time to address issues. The last meeting was less than two days. The BWC has the time but needs industry input.

TYLER TURNIPSEED (Chief Game Warden, Department of Wildlife):

In 2018, NDOW issued 98 master guide and 341 subguides permits. As others have testified, those permit fees range from \$125 to \$1,500, depending on residency and guide type. This permitting generated \$142,000 last year. That

funding is used for the administrative aspects of licensing conducted at our Reno headquarters and field enforcement of guide and outfitter laws and regulations.

On the administrative end, NDOW administers guide tests, which candidates must take to become a guide, processes applications, issues permits and conducts background checks, which include criminal histories and wildlife violations in other states. Captain Brian Eller, a Commission Game Warden, spent approximately 140 hours in 2017 and 188 hours in 2018 processing guide license applications and conducting background checks. Two full-time administrative assistants each spent over 1,000 hours last year on guide licensing.

Throughout the calendar year, NDOW administrative staff mail seven different reminder letters to guides, including first aid and insurance reminders, license renewal letters, missing client record reminders, master guide agreements and license revocation letters.

Regarding enforcement, the NDOW Law Enforcement Division looks for wildlife violations related to guiding. In 2017, a similar bill was heard by this Committee. In the last 5 years, we have handled 56 cases related to guiding, including 10 cases of guiding without a license and 11 cases of guiding without required federal use permits.

Regarding application processing, NDOW denied three subguide applications in 2017 and 6 master guide applications in 2018. In 2019, NDOW has suspended one master guide application and denied one subguide license to date. The 19 evaluation criteria used for approval, suspension, revocation or denial are listed in the *Nevada Administrative Code* (NAC) 504.671.

SENATOR HANSEN:

Of the 56 cases you mentioned, how many citations were issued?

MR. TURNIPSEED:

I would have to review the list. We recently had a double conviction for two men guiding without a license. They were filming their hunting activities near Winnemucca and posting footage on YouTube. We have had several cases where we wrote up criminal complaints and submitted them to district attorneys that moved forward with prosecution. We have had several cases, one of which

was mentioned in earlier testimony, where witnesses were unable or unwilling to return to the State to testify, or the district attorneys were not willing to pay travel expenses for people to come testify. We have also had cases where there was insufficient evidence of guiding without a license to proceed.

We have had three to five convictions for not having federal use permits in recent years. Those are interesting, because we are enforcing a federal permit violation. With the Bureau of Land Management and Forest Service having a limited law enforcement presence, we handle most of those cases. Nevada statute mandates that guides have the appropriate federal land management permits.

SENATOR HANSEN:

There seems to be a feeling among the guides that NDOW is not doing an adequate job.

MR. TURNIPSEED:

We hear those complaints. The NDOW has an Operation Game Thief hotline, which allows people to call to report violations. All of those calls are handled at the appropriate level. Game wardens also take those complaints directly, whether in the field or at headquarters. We address those complaints as we are able and spend considerable time working on issues related to the guide industry.

CHAIR SCHEIBLE:

Are the violations you mentioned misdemeanors?

MR. TURNIPSEED:

Most of the wildlife violations are misdemeanors, with the exception of guiding without a license. A conviction of this offense results in a gross misdemeanor.

CHAIR SCHEIBLE:

Regarding the funding, there is a fiscal note on this bill. You are already collecting fees. Does this bill redirect the same funds for the new activities included in the bill?

MR. TURNIPSEED:

The fiscal note was related to the administrative staff needed to support the proposed Board. As mentioned, we have two administrative staff who handle



most of the permitting and licensing work. Staffing requirements to support the Board would include responsibilities related to the Open Meeting Law, developing agendas, taking minutes and so forth.

NOVA MURRAY (Deputy Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services):

In relation to the State Child Support Program, this bill does not include language to restrict the issuance of a guide license up front due to noncompliance with child support orders. All other occupational and professional licenses under Title 54 of NRS must do so. The Division of Welfare and Supportive Services suggests incorporating language consistent with federal mandates in Title 42 U.S.C. section 666(a)(16) and similar occupational licensing requirements in Title 54 of NRS. Existing law for other occupations and professions requires license applicants to disclose if they are subject to a court order for child support. If so, the license is terminated and the applicant is referred to the agency for the appropriate actions.

SENATOR GOICOECHEA:

Section 14 of the bill does address the child support requirement for licensees. Although the fees collected will go to a separate fund, the duties are the same, and the only additional cost for this Board will be for travel and per diem. Board members will be providing an unpaid service. The guide industry is good for our State. It needs support and a fresh look at the issues.

CHAIR SCHEIBLE:

I will close the hearing on S.B. 275 and open the work session on Senate Joint Resolution (S.J.R.) 4.

**SENATE JOINT RESOLUTION 4**: Expresses the support of the Nevada Legislature for certain federal legislation relating to the conservation of wildlife in this State. (BDR R-507)

ALYSA KELLER (Committee Policy Analyst):

I will read from the work session document ([Exhibit E](#)).

CHAIR SCHEIBLE:

I will accept a motion on S.J.R. 4.

SENATOR HARRIS MOTIONED DO PASS.

SENATOR BROOKS SECONDED THE MOTION.

THE MOTION PASSED (SENATOR HANSEN VOTED NO).

\* \* \* \* \*

CHAIR SCHEIBLE:

I will close the work session on S.J.R. 4 and open the work session on S.B. 347.

**SENATE BILL 347**: Revises provisions relating to hemp. (BDR 49-976)

MS. KELLER:

I will read from the work session document Exhibit E.

CHAIR SCHEIBLE:

I will accept a motion on S.B. 347.

SENATOR GOICOECHEA MOTIONED AMEND AND DO PASS.

SENATOR HARRIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR SCHEIBLE:

I will close the work session on S.B. 347 and open the work session on S.J.R. 1.

**SENATE JOINT RESOLUTION 1**: Urges Congress to require the Bureau of Land Management and the United States Forest Service to include cheatgrass in certain forage estimates. (BDR R-257)

MS. KELLER:

I will read from the work session document Exhibit E.

SENATOR BROOKS:

I will be voting yes for this measure to pass it out of Committee, but reserve the right to change my vote on the Senate Floor. I would like additional clarification on the measure from Senator Hansen.

CHAIR SCHEIBLE:

I will accept a motion on S.J.R. 1.

SENATOR GOICOECHEA MOTIONED DO PASS.

SENATOR HANSEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR SCHEIBLE:

I will close the work session on S.J.R. 1 and open the hearing on S.B. 442.

**SENATE BILL 442**: Revises provisions relating to the issuance of permits for hazardous waste facilities. (BDR 40-1205)

JEFF KINDER (Deputy Administrator, Sustainable Materials Management Program, Division of Environmental Protection, Department of Conservation and Natural Resources):

Senate Bill 442 proposes to revise NRS 459.520 which governs the disposal of hazardous waste. The bill will align the frequency of facility permit renewal with long-standing federal requirements. The federal Resource Conservation Recovery Act (RCRA) and NRS 459 govern the issuance of permits to hazardous waste facilities. Permits are an essential instrument for ensuring compliance with environmental laws. They translate the legal requirements into specific provisions tailored to the facilities' individual operations. The RCRA permits provide owners and operators of facilities that treat, store and dispose of hazardous waste the legal authority to do so and ensure that waste is handled in manner that is protective of human health and the environment.

As an Environmental Protection Agency authorized State, our program ensures that we are no less stringent than federal rules. Authorized State regulations act

in lieu of federal regulations. This national regulatory framework ensures consistency between the states and their regulated industries.

Under Title 40 CFR Part 270, the duration of a permit is fixed not to exceed 10 years. Chapter 459.520 of NRS requires permits to be issued for a period of not more than 5 years. We are requesting this revision to be consistent with federal regulations and other western states. Moving from a five-year to a ten-year period will remain protective of human health and the environment.

The Division of Environmental Protection (DEP) will maintain its annual inspection schedule for these facilities. This change will affect six facilities. As these facilities already have their initial permits, the focus of our permitting is generally on modifications. Permit holders can request changes to their permits to keep pace with evolving business practices, technology, cleanup decisions and regulations. These modifications help reduce the risk of environmental release, add operational capabilities, maintain current emergency response plans, improve environmental monitoring requirements, address unit closures, expand recycling and sustainable materials management and update financial insurance elements.

During the period between 2014 and 2018, 47 permit modifications were processed by DEP. Throughout the permit modification process, effective and meaningful public participation keeps the local community abreast of ongoing changes at the facility. Public participation also helps inform facility managers, as well as DEP, of public concerns.

CHAIR SCHEIBLE:

Seeing no further testimony, I will close the hearing on S.B. 442.

VICE CHAIR BROOKS:

I will open the hearing on S.B. 310.

**SENATE BILL 310**: Enacts provisions requiring the payment of deposits and refunds on certain beverage containers sold in this State. (BDR 40-752)

SENATOR MELANIE SCHEIBLE (Senatorial District No. 9):

I am reading from my visual presentation on S.B. 310 ([Exhibit F](#) contains copyrighted material. Original is available on request of the Research Library.)

Slide 2 is a graphic from the Container Recycling Institute that illustrates the mechanics of a bottle deposit recycling system. When a bottle deposit system is implemented, there are three steps in the process. Somebody sells a beverage filled bottle to a distributor, wholesaler or retailer. Before going to the consumer, it goes to a retailer. The retailer has to remit a 5 cent deposit on that bottle to a fund that will be created within the Office of the State Treasurer. When that bottle is consumed and empty, anybody—the consumer, the retailer, a person who picked the bottle up by the side of the road—can bring that bottle back to a redemption center where he or she receives the 5 cent deposit. If a redemption center provides the deposit, it is reimbursed from the State fund.

Slide 3 of the presentation provides a more in-depth look at the flow and how a bottle deposit system allows for additional business opportunities. Between the three primary steps in the previous slide, there could be third party redemption centers, retailers and recycling plants that will provide flexibility. This is an important component of this bill. Nevada is a diverse State with a diverse economy, so what works in one city or county might not work in another. Where one city or county might be committed to the most basic model, others might pursue more complex models.

The origins of this bill go back to the 1970s when these programs were introduced in some other states. During the 2011-2012 Interim, Senator Ohrenschall chaired the Legislative Commission's Committee to Study the Deposits and Refunds on Recycled Products. This study ultimately recommended single-stream recycling. In 2019, the DEP produced an updated recycling report showing that since the Interim Study, the State's recycling rates have declined. As seen in slide 4, after spiking at 28.8 percent in 2013 when single stream was first introduced, rates declined steadily to 20.7 percent in 2017. Nevada's recycling goal, pursuant to statute, is 25 percent. At present, we are below that threshold.

The DEP 2019 report suggests that there are 3 other ways to improve Nevada's recycling efforts, as outlined on slide 5. The first approach would be to create financial incentives to recycle. The second approach would be to pass a bottle bill in the Legislature to create a privately-funded collection infrastructure. The third approach, which would allow the State to capture the most material possible and meet its waste diversion goal, would be container deposit legislation, along with curbside recycling and drop-off centers.

Slide 6 addresses the economics of bottle deposits, which have been studied extensively in the states and countries where programs exist, as well as places where they do not exist. There is no question that states with bottle deposits recycle more. The Container Recycling Institute studied this in 2010. Deposit states are seeing rates close to 65 percent recycling for glass, 48 percent for polyethylene terephthalate (PET) plastic and 84 percent for aluminum. Recycling rates in states without deposits are about half those amounts.

While some states are moving away from bottle deposit systems, the sale of packaged beverages and bottles continues to rise. The graphic on slide 7 shows the sales of bottled water, which has grown exponentially since 1996. Sales grew from 2.8 billion bottles in that year to 42.6 billion in 2010.

The 11 U.S. states with container deposit laws in 2010 consistently recycled containers at higher rates than other states. Although they make up only 28 percent of the U.S. population, they recycled 46 percent of the containers that were recycled in 2010. When we talk about recycling rates in the U.S., we are depending on the 11 states with container deposit laws to make up almost half of the Nation's recycling goal.

The quote on slide 9, published in *The Atlantic*, states:

A number of proposed bottle bills in other states had been struck down by industry opposition. The beverage industry fought the new bottle bills tooth and claw, seeing them as a "direct and politically motivated infringement on the free market and a threat to profits," as geographer Mathew Gandy wrote in "Recycling and the Politics of Urban Waste".

It is important for us to understand that recycling has numerous benefits to our society and numerous stakeholders. Some of these stakeholders will benefit financially from this bill; others will not. The financial incentives are instructive.

Slide 10 outlines and provides a link to a recycling refund program case study from Minnesota ([Exhibit G](#) contains copyrighted material. Original is available on request of the Research Library.) This state considered, but did not ultimately implement a bottle deposit program. It is unclear why Minnesota did not pursue a bottle deposit program. They conducted an in-depth analysis of what would

happen if they implemented the deposit. Nevada is not Minnesota, and there are some important differences, but much can be learned from their study.

Minnesota was contemplating a 10 cents deposit; S.B. 310 calls for a 5 cents deposit. This is to mirror California's 5 cents deposit to ensure people from that state do not come to Nevada to get higher refunds.

Minnesota reverse engineered their program. They wanted to achieve 80 percent compliance and utilized that goal to reach their figures for expected costs, benefits and outcomes. Minnesota estimated revenues of \$469 million per year from deposits and \$76 million from the sale of processed materials, with total revenues at \$545 million. At an 80 percent compliance rate, Minnesota estimated expenses to be \$395 million for deposits refunded, \$141 million for redemption center payments, \$17 million for collection contractor payments, \$14 million for processor payments, \$1 million for materials, \$4 million for administration and \$2 million for promotion and education for a total of \$574 million in expenses. These estimates resulted in a projected deficit of \$29 million. Minnesota proposed to make up this deficit through an additional fee and tax on beverage distributors to make the program solvent.

The benefits of the proposed Minnesota program included the creation of an estimated 1,126 redemption center jobs, 136 collection or transporter jobs, 156 sorting and baling jobs and 20 jobs with the beverage container recycling organization.

Estimated costs are included on slides 11 and 12 of [Exhibit F](#). Some of those costs include price increases of approximately a half cent per container passed on to consumers. Supermarkets and the beverage would also be impacted negatively.

Local governments and individual, residential single-family homes would save 27 cents per month, with an annual net savings of \$5.6 million. Bottle deposits shift the tax from municipalities, individuals and consumers to the industry. It shifts the tax to those who create the PET bottles and aluminum cans and distribute them into the commerce stream. This invisible tax is currently borne by individuals and municipalities who are working to develop recycling programs to keep up with the extraordinary and increasing amount of waste we are producing in Nevada and across the world.

Material recovery facilities would have no job impacts, but tip fees could be reduced. Waste and recycling haulers and waste disposal facilities would likely lose in terms of jobs and revenues, but glass beneficiaries would benefit from improved revenues and additional jobs. Recycled product producers would likely benefit, having additional raw material resources. This is important in our market where uncontaminated raw materials are hard to find.

It was estimated that the state of Minnesota would incur law enforcement and regulatory agency costs of less than \$1 million to implement a bottle deposit program, but there would be a net gain of 1,062 jobs. Grocery and alcoholic beverage container sales tax revenues would likely decrease by 0.5 percent, but there would be a \$5.6 million savings to local governments and municipalities no longer responsible for cleaning up after organizations and industries that create waste.

Non-profits and schools would benefit from this legislation through new fundraising opportunities. Would members of this Committee hold on to water bottles picked up at a health fair booth, a McDonald's while canvassing, the Legislative Gift Shop or a vending machine, and drop them off at a public school if they knew that student groups or clubs were taking them to redemption centers to receive 5 cents per bottle? This money earned could be used to pay for field trips, textbooks, science fair projects or other educational expenses. Many in our communities would participate if they had that opportunity.

Slides 16 and 17 of [Exhibit F](#) address a case study in Delaware which discontinued its bottle deposit program after moving to a universal recycling policy. This policy replaced the bottle deposit with a 4 cents per beverage container fee levied on the beverage industry to make up for the \$22 million lost on the bottle deposit program.

Slides 18 and 19 of [Exhibit F](#) outline alternatives. Single-stream recycling is declining. Numerous jurisdictions have moved away from it. There is a depressed market for mixed recyclables and contamination rates are high. When Minnesota went to single-stream, collections increased by 20.8 percent, but the amount actually recycled decreased by 12.2 percent because of contamination. To put this in real terms, I visited the recycling facility in Las Vegas, a fascinating, high-tech facility. They take all kinds of recyclable materials, including PET bottles, aluminum cans and paper products. These are separated, smashed in industrial compactors and formed into bales that are sold by the ton.



Buyers have unique policies and minimum standards regarding purity. Producers in the U.S. can no longer sell their 23 percent contaminated bales of recycled material to China, which recently increased its threshold.

The market for recyclables is increasing for clean recyclable materials. The market for bales of contaminated material is evaporating. Buyers want pure, clean streams of either aluminum, plastic or glass. We can produce these clean streams when we incentivize people to separate their recyclable materials and provide them with a deposit back on their bottles.

Recycling bins and single-stream are not incompatible with bottle deposits. These alternatives can supplement a bottle deposit program. The Keep America Beautiful Schools was a program considered in the 2011-2013 Interim Study, and a link is provided on slide 19 of [Exhibit F](#). This program allows schools to participate in the annual Recycle-Bowl, a nationwide competition for high school clubs, sponsored by the Keep America Beautiful Foundation. Nevada can participate in this kind of program within the context of a bottle deposit program.

The DEP has suggested extended producer responsibility legislation. This applies to products like paint, batteries and mattresses. Those items should not be going into single-stream recycling, but are recyclable and need to be addressed by developing separate systems. A bottle deposit would not prevent the State from doing that.

Recycling education will improve single-stream quality, increase recycling rates and benefit our communities in every sector. Any program the State pursues needs a robust educational program. Recycling education is only part of the puzzle. Education without infrastructure is useless, and infrastructure without education is useless. This bill does not contain a provision for education, but partners are ready and willing to help develop educational programs. I am committed to working with local jurisdictions, companies and retailers to help people understand and utilize the bottle deposit system and ultimately bring a robust system to Nevada. This program could include reverse vending machines and other technology.

Only 9 percent of all plastic ever made has been recycled. It is still less expensive for the average producer of plastic materials to buy new than to buy used, recyclable plastic to create something new. This is not a problem that the

market is going to correct for itself. The bottle deposit puts a 5 cents bounty on every bottle, thereby conferring value and decreasing the possibility it will end up in a landfill, ocean, lake, stream or gutter. This helps keep our community and environment clean and our families safe.

SENATOR JAMES OHRENSCHALL (Senatorial District No. 21):

In 2011, when I was serving my third term representing Assembly District No. 12, I had many constituents express a desire to pursue a bottle deposit program in Nevada. I sponsored A.B. No. 427 of the 76th Session. This bill had a lot of support, but there were many who thought implementing a bottle deposit program in Nevada would be problematic, with too many difficult obstacles to overcome. Former Senator Debbie Smith assisted with the effort to pass this legislation, which ultimately became the 2011-2012 Interim Legislative Commission's Committee to Study the Deposits and Refunds on Recycled Products. Senator Smith thought the deposit idea had merit, and I chaired that Committee. The Committee heard ample testimony on how bottle deposits and other successful recycling efforts work in other states. Single-stream recycling appealed to the Committee and seemed more immediately feasible than a bottle deposit program.

The Committee's concluding recommendation was not to pursue a bottle deposit bill draft during that Interim, but to encourage the advance of single-stream recycling and work toward increasing Nevada recycling rates. The Committee concluded that it was not the right time for Nevada to pursue a bottle deposit program.

The statistics provided by the DEP indicate that in 2017, the Nevada Statewide recycling rate was 21 percent. It is good that we have a recycling rate in statute, which I believe was put in place by former Assemblywoman Vivian Freeman in 1991, but we are still much lower than we should be. Senate Bill 310 would help the State improve.

I represent Senate District No. 21, which includes Sunrise and Frenchman Mountains, reaches nearly to Lake Mead and includes beautiful views of the city. Tourists and others are attracted to this area, but there is significant dumping of bottles and cans. Although S.B. 310 would not solve that problem entirely, it would help it. Red Rock Canyon and other areas in the north and in rural Nevada would all benefit.

In other states with bottle deposit programs, schools, scouting programs, choirs and other organizations take advantage by collecting bottles as part of fundraising efforts. If this measure passes, it would be helpful to the State. The time is right to pursue this now.

SENATOR HANSEN:

Nevada used to have bottle deposits, and organizations used to collect and turn them in for fundraising. Was that a government program? What is the history, and why did it go away?

SENATOR SCHEIBLE:

The first bottle deposit systems were implemented by producers. Coca-Cola had systems in the 1920s. That continued until the 1960s when they switched to single-use containers. That is when companies stopped using milk jugs and seltzer jugs, which had traditionally been picked up and dropped off on the doorstep. Those were the first deposit systems. In 1963, Coca-Cola stopped their deposit system. This is when the first states began introducing bottle deposit legislation, the first passing in 1971. This move aggregated recyclable materials for the first time.

SENATOR HANSEN:

This presentation was informative and compelling. Why does the bill exclude milk and wine bottles?

SENATOR SCHEIBLE:

I am open to discussing amendments to the specifics of the bill. The exemption for milk is a best practice seen in other states. Milk is not generally sold in glass bottles anymore. Since wine is typically bottled where it is grown and distributed internationally, it would not be feasible to include it in a bottle deposit program.

SENATOR HARRIS:

Who do you envision recovering the 5 cents deposit? Would it most likely be the consumer and retailer, or are there others who would likely be impacted?

SENATOR SCHEIBLE:

Just like a coupon or a bounty, whoever ends up in possession of the bottle can retrieve the deposit. A company could pay the deposit, try to collect the bottles and not pass the cost on to the consumer. An individual or company could buy

and donate bottled water to a sports team, letting them take advantage of the deposit.

SENATOR HARRIS:

What would the cost be to set up the infrastructure for this program, and who would bear that cost?

SENATOR SCHEIBLE:

The hope is that deposits from the first iteration of the program would cover the cost of setting up the program. Where that is not possible, there may be some overhead in creating the regulations.

The redemption centers are not designed to be State run. They are designed to be run by individuals and private companies. There is a conceptual amendment to the bill being discussed that would allow redemption centers to keep 1 percent of the deposits. If someone wanted to operate a redemption center, he or she could open a kiosk outside the grocery store where people could bring their bottles, the consumer receiving 4 cents and the operator receiving 1 cent. The operator would then take the material to the recycle center.

SENATOR HARRIS:

Where would individuals go to get the full 5 cents redemption?

SENATOR SCHEIBLE:

They would have to take their bottles to a material sorting and selling facility to receive the full redemption. I have been in discussions with the DEP to determine where it is selling recyclable materials and if there is a market for them, which there is. The bill requires the DEP to develop regulations. In other states, I believe it varies, some centers being government run and others being contracted.

SENATOR OHRENSCHALL:

During the 2011 Session and 2011-2012 Interim, there was testimony about Michigan's program, which includes kiosks near retailers. These kiosks issue coupons that individuals can redeem for cash.

SENATOR HARRIS:

Who paid for those kiosks?

SENATOR OHRENSCHALL:

I do not recall, but can provide that information to the Committee.

VICE CHAIR BROOKS:

Would you see highly specialized, limited run beverages such as craft beers, spirits or other specialty beverages being included in this program? Would they have the fee, but not be eligible for refund?

SENATOR SCHEIBLE:

That is not the vision. I have received similar questions and continue to learn some of the nuances of the industry. The goal is to address the proliferation of plastic water bottles and aluminum cans from soda, beer and similar beverages. The intent is not to create an impossible market for craft beers, limited runs or spirits. I am willing to work on language with any interested party to make that clear.

VICE CHAIR BROOKS:

Section 11, subsection 2 lists several exemptions, such as bars, gaming establishments, hotels and resorts. What percentage of the universe are you trying to capture is made up of those that are exempted?

SENATOR SCHEIBLE:

I do not have that number, but the provision you referred to requires the exempted entities to have their own DEP approved recycling programs. It is unnecessary for these entities to participate in the bottle deposit program since they will have their own system for distributing, collecting and recycling bottles. Less significant than what percentage of the market they represent is what percentage of recyclables they use are recaptured.

SENATOR OHRENSCHALL:

During the 2011-2012 Interim, testimony was provided by representatives who headed up recycling programs for some of southern Nevada's large resorts. Some of the internal recycling programs described were very impressive. At the time, guests were not required to sort recyclable materials. Technology was employed that automatically sorted the materials. This kind of robust solution already employed by industry contributed to the rationale for allowing exemptions.

VICE CHAIR BROOKS:

If a large casino already had onsite sorting and recycling, would it be exempted from the fees as well as the refunds?

SENATOR SCHEIBLE:

Yes, it would.

VICE CHAIR BROOKS:

Where in the bill is that stated? If a large casino did not have an approved recycle program in place, would it be responsible for the fees?

SENATOR SCHEIBLE:

My intention is to offer a conditional opt-out for extremely large businesses. Smaller businesses unable to recycle their own products can opt to purchase the refundable products and either pay the deposit and include it in their overhead or pass the cost on to the consumer. The purpose is to create an opt-out for large businesses somewhat unique to Nevada that have internal recycling programs, where bottles are distributed, contents consumed on the premises and left on the premises.

VICE CHAIR BROOKS:

Would a neighborhood bar that goes through thousands of beer bottles pay the fees and then be able to redeem the bottles en masse at the sorting facility?

SENATOR SCHEIBLE:

Yes. There is a provision in section 15 of the bill prohibiting an individual from bringing more than 250 empty beverage containers to a redemption center in order to prevent fraud. If needed, we could amend the language to provide exceptions.

VICE CHAIR BROOKS:

Would the bottles have to be intact to identify eligibility?

SENATOR SCHEIBLE:

Yes.

SENATOR GOICOECHEA:

My understanding reading section 15 of the bill is that the 250 bottle limit applies to someone having reason to believe the bottles were not originally sold

in Nevada. The 250 bottle limit would not be applied otherwise, correct? As pointed out previously, a bar could have thousands of bottles at the end of a good night.

SENATOR SCHEIBLE:  
That is correct.

ANDY MAGGI (Nevada Conservation League):  
Container deposit laws have been implemented in many other states and have proven to be an effective way to increase the recycling of individual beverage containers, which comprise 40-60 percent of litter. This bill would help clean up roadways and public places.

SUSAN FISHER (C&S Waste Solutions of Nevada):  
C&S operates recycling and solid waste collection centers and is happy to continue working with the bill sponsor on this bill. There may be areas needing additional work to ensure the program is viable in the State. It may be that baby steps are needed to get this effort going.

We would recommend expanding the reporting requirements. Some of the larger counties are reporting on recycling and waste management efforts and issues. Some of the smaller counties have higher recycling success rates.

PATRICK DONNELLY (Center for Biological Diversity):  
We support this legislation. Plastic waste is a chief threat to wildlife, in particular in our oceans, which are becoming inundated with plastic waste. This is having a detrimental impact on marine life.

A recent test of American drinking water showed that 90 percent of American water supplies contain trace micro plastics. Plastic waste is an issue that is permeating our society, not just impacting wildlife and not just resulting in trash on the roadways. It is a human health concern.

Plastics are derived from petroleum. As we move to a world where we need to reduce and eventually eliminate carbon emissions and address climate change issues, reducing our reliance on single-use plastics and closing the loop to eliminate single-use is essential.

Aluminum bauxite mining is also destructive and problematic. Communities near those mines can be impacted by that mining. Utilizing existing stocks of aluminum is essential to protecting our environment.

The data speak for themselves. The recycling rate increases dramatically with policies like this in place. There will be concerns about cost. There have been discussions on how to address those concerns. It may not be cost-neutral to pursue this. It may cost something to save our environment, but that might be the price of admission to live in a world in which we are increasingly consuming more.

JOHN SHEA (President, C&S Waste Solutions of Nevada):

C&S Waste Solutions of Nevada is a family owned Nevada business with a long history in the solid waste and recycling industries. We have operated in Nevada for over 20 years. C&S has implemented some of the first successful and sustainable recycling programs in several Nye County communities.

The presentation by Senator Scheible was thorough and accurate, and we support this bill and efforts to advance recycling in Nevada. We are also aware of current market conditions and the impact on recycling programs that are too ambitious, unsustainable or not properly regulated. We understand there are forthcoming amendments to this bill, and we have provided suggestions for the Committee's consideration.

TARA PIKE (University of Nevada Las Vegas Recycling Program):

I am in favor of this bill as it will have a positive impact on the University of Nevada Las Vegas Recycling Program. Having bottles and cans with value that can be redeemed for money will improve our program. I will re-invest those funds by hiring more students or buying more recycling bins. The bill will have a positive impact on recycling programs in other schools as well.

Plastic has very little value when it is co-mingled with other materials. Assigning a value of 5 cents is significant and will create an incentive. Other college campuses that have a 5 cents deposit receive more revenue as a result. There is also a benefit to low-income and homeless people who can make extra money. California is an example of that.

Section 11, subsection 2, paragraphs (a) and (b) should be revised. Every container that is coming from a distributor is going to be stamped with



"Nevada", regardless of who is buying the container. Every container becomes redeemable, so it is unclear how someone could opt in or out of the deposit. I do the recycling at Sam Boyd Stadium. There are a lot of people and there is a lot of work. Sometimes people turning in bottles ask if they are going to get a cut of the money I make. I tell them they can have a cut in the expense of picking up all the containers. We do not make a lot of money because the comingled materials do not have a high value.

TOBI TYLER (Sierra Club, Toiyabe Chapter):

The Toiyabe Chapter of the Sierra Club, representing more than 30,000 members and supporters in Nevada supports S.B. 310. This is a timely and important bill to begin the process of reducing waste and cleaning up our roadways and public places.

BREE DIETLY (American Beverage Association):

I will read from my written testimony in opposition to S.B. 310 ([Exhibit H](#)). The American Beverage Association (ABA) represents the manufacturers of refreshment beverages, excluding alcoholic and dairy products. The ABA member companies share a strong commitment to the recycling and recovery of their containers. This begins with the production of highly recyclable containers of high value. The ABA is also committed to using more of that recycled material in their containers and investing in the recycling system downstream.

I have been studying deposit systems and conducting other research for nearly 30 years. I have done original research in every one of the deposit states in the U.S. and some abroad. I am the general manager and financial manager for two distributor cooperatives, one in Maine and one in Vermont. These cooperatives manage containers on behalf of distributors. I have ample experience in both the logistics and policy aspects of bottle deposit programs.

The chart Senator Scheible showed in her presentation comparing recycling rates across states only included beverage containers. That figure must be viewed separately from the overall recycling rate of a state. As seen on page 2 of my exhibit, only 2 percent of the waste stream comes from nonalcoholic and nondairy beverage containers. Adding wine and milk containers brings the percentage up to approximately 5 percent. A deposit system that excludes wine and milk will only affect 4 percent of the total waste stream. If Nevada went from recycling no beverage containers to recycling 100 percent of them, the State would increase its statewide recycling rate by 4 points.

Regarding plastics, there are massive amounts of plastics produced in the U.S. and in the world that have no ability to be recycled; most were never intended to be recycled. This is untrue of the beverage industry's bottles which are designed to be recycled. Approximately 12 percent of the waste stream in the U.S. is plastics. The beverage industry's bottles are 7 percent of that and less than 1 percent of the entire waste stream. Plastic bottles constitute 14 percent of all plastics. That exhausts the recyclable part of the plastic stream. Packaging represents only 40 percent of all plastics. The majority of plastics produced in this country is not produced with any intent to recycle.

There is a difference between litter and trash. The litter stream is not the same as the waste stream. Litter is the stuff that does not make it into the waste stream. Litter is material that blows out of a dumpster or is thrown out of a car window. Litter studies have been done in the U.S. for 50 years. Keep America Beautiful did a study in the 1970s, repeated it in 2009, and is in the process of doing the study now, using the same methodology. From these studies, we consistently see that beverage containers represent approximately 7 to 8 percent of all litter in the litter stream; 90 percent is litter other than beverage containers. These are important considerations when developing policies on recycling.

There is a perception that recycling efforts are in trouble. China's more stringent sort policy was mentioned in earlier testimony. Recycling has died three times, but it has, and will always, come back. Commodity-based businesses tend to be cyclical.

Most people who recycle do not do so because they make money, except for companies in the recycling business that are being paid to do it. Local governments typically pursue recycling programs to avoid disposal costs, not to generate revenue on the commodity side. What we are seeing with China is the rejection of low value material, meaning the mixture of paper and plastics.

Regarding the flow of deposits mentioned by Senator Scheible, when a container with a deposit is sold, it becomes a liability with value and the potential to be redeemed. The way S.B. 310 is written, the risk-bearer for that liability is the State. The State will be collecting all the deposits and sitting on that money.

Senator Scheible also mentioned private sector opportunities. The State would need to build an infrastructure to take back the containers. There would need to be convenient redemption centers in communities throughout the State. These centers would need to have the ability to sort, count, keep separate and secure, and report to the State the number of all materials received. This would ensure that the right amount of money exchanges hands at the right time. Much of that redemption infrastructure—the centers, the stores, the people who pick materials up, the people who take materials to the centers, the people who process the materials—already exists in Nevada with the existing recycling system. This bill would create a duplicate infrastructure that would solely manage the 3 percent of the waste stream that is beverage containers. This has cost implications.

In the northeast, research has shown that the deposit system costs three times as much as curbside systems, on a per ton basis. It costs a lot more to have a duplicate system with people sorting, counting and storing containers.

I am very familiar with the Minnesota case study and critiqued it in 2012. The operating cost of this study, the \$29 million net deficit mentioned earlier, assumes other income, including unclaimed deposits. If one considers the true operating cost, the cost of the infrastructure to run the system, less the scrap value, would cost \$100 million to run that system.

Deposit programs have a significant impact on existing recycling systems. Deposits would remove virtually all aluminum out of municipal recycling systems, and that material is the only one that pays its way in the recycling system. The second most valuable material in the waste stream is PET, and approximately 85 percent of that material would be removed by a deposit system. A deposit program would remove the two most valuable commodities from the municipal system as it exists today. That is a problem.

Fraud is also a potential problem of the proposed system. There has been discussion about whether casinos will participate or not. It is unlikely that containers from a cohort of 15 percent of all containers will not find their way into the redemption system. All deposit systems with border issues have similar risks for fraud.

There has been substantial research on alternatives to deposits. Delaware has doubled its packaging recycling rate and increased its overall state recycling rate

from 33 to 44 percent since discontinuing its deposit program and investing in a single-stream curbside system. Single-stream curbside systems do not inherently fail, but do so when not adequately supported by proper education, spending and processing infrastructure. There are good alternatives to bottle deposits, and there are states with high overall recycling rates that do not have bottle deposit programs.

ANDY PETERSON (Retail Association of Nevada):

The Retail Association of Nevada is opposed to S.B. 310 as written. There is an unfunded mandate on retailers to collect a tax and remit it to the State without any remuneration from the State. We are willing to work with the bill sponsor to resolve this.

ALFREDO ALONSO (Nevada Beer Wholesalers Association):

From a distributor's standpoint, we are concerned that some of the brands available today would not be available after passage of this legislation. There are small, regional suppliers that might not be able to absorb the additional costs this bill would add.

With the exemption provisions, would wholesalers have to maintain separate warehouses for containers with the deposit and those without? In the non-deposit arena, employees could take containers and infiltrate them into the deposit arena, opening up the potential for fraud. According to the bill, someone would be allowed to redeem up to 250 bottles from out of state. These are bottles for which a deposit may have been paid in California, but redeemed in Nevada.

If bars are required to pay the deposit, who would they pay? Would warehouses collect and pass fees on to DEP? We are confused by some of the provisions in the bill. We would like to continue working with the bill sponsor, but the reality is that Nevada is different than Minnesota and Oregon. We have seen problems in California with cross-border sales.

SENATOR HANSEN:

Regarding metals, there is no government sponsored program for aluminum in the State. That is handled by the private sector. In my plumbing business, we recycle copper because there is a strong demand for it.

Plastics is a bigger problem, including the fossil fuel aspect. One of the reasons brought up for wanting to pursue a bottle deposit program is to reduce carbon emissions. Do we use more carbon fuels in our effort to recycle plastics than in new production? Is there a net savings by trying to recycle plastics, with trucks having to come and pick the materials up and then reprocessing them? Are we reducing the amount of fossil fuels consumed by pursuing these types of mandatory recycling programs?

MS. DIETLY:

Yes, it is carbon positive to recycle certain plastic resins, including PET and high-density polyethylene (HDPE). Soft drink and water bottles are made from PET plastic; HDPE is used for milk jugs and Tide bottles, for example. A complex, cradle-to-grave analytic exercise called a "life cycle assessment" has shown that recycling these kinds of plastics yields a lower carbon footprint. This analysis considers the origins of the product, how it is synthesized, and how it is used and managed.

This is not true for many plastics that are in commerce today. Bottles represent 14 percent of the plastics in the overall plastic waste stream, and they are the materials with the best return on investment. Other plastics lack the physical properties to be easily recycled at this time, and the carbon implications of doing so are not favorable.

The point of primary importance is not whether we should recycle but how we should recycle. Having one truck going up and down the streets and picking up all the materials is very different from having tens of thousands of vehicles going to a redemption center every Saturday to deliver empty containers. Massive increases to the recycling rate may make that worth it. Scaling up a curbside program with the same carbon footprint for a truck picking up more material would be much more efficient.

SENATOR HANSEN:

Is there less of a carbon footprint to manufacture new plastics than to recycle? Is there a net savings of fossil fuels consumed by recycling all plastics?

MS. DIETLY:

I would say no but do not know what the net would be. Most plastics are not currently feasible for recycling. It is not tactically feasible nor would it be carbon positive.

PAUL MORADKHAN (Las Vegas Metro Chamber of Commerce):

The Chamber is a broad-based organization, and we have had members reach out regarding this bill. Although many of them participate in sustainability and recycling programs, they have concerns about this bill and its potential impact on realtors, potential problems in a bifurcated distribution system, issues related to the collection materials and the DEP's ability to dictate some of the regulatory components, including exemptions. The potential cost to the State is also of concern.

SEAN HIGGINS (Republic Services):

Republic Services currently operates a state-of-the-art, single-stream recycling system in Clark County. This system was implemented over the past 7 to 8 years with an investment of over \$45 million. Since our single-stream curbside service was introduced, recycling has increased to 25 percent. This program did not fully roll out until 2018, so it is still in its infancy.

The bill exempts some of the largest users of beverage containers. Some of those entities have us pick up and transfer material to our facility, but there is no payment for this. Republic has observed that in states that have both curbside recycling and bottle deposits, recycling is split. There is no true increase in recycling. Aluminum and PET would likely decrease in curbside, because scavengers will troll neighborhoods on pickup days and take the more valuable materials to turn in for cash, which would decrease our ability to invest.

There is no language in the bill indicating how recycling material is transferred from the redemption center to the recycling facility and if there is a payment for that. In other states, the people bringing it in receive a payment from the state.

Many of the specifics are left to DEP, so it is difficult to determine at this point specifically how the program would function. The bill mentions a fee, with regard to redemption centers, but that fee is not set. The bill also allows the DEP Director to apply for grants, but it is not clear if that is the funding source for the bill.

Republic Services is dedicated to recycling. We are the recycling leader in the State, and our curbside recycling program is starting to take off. We would like to continue working with the bill sponsor to find workable solutions.

CHRIS FERRARI (MillerCoors):

MillerCoors is in opposition to S.B. 310. MillerCoors has a sustainability plan in place to reduce absolute carbon emissions from direct operations by 50 percent by 2025. All MillerCoors major manufacturing facilities will achieve a zero waste point and will reduce emissions on packaging materials by 26 percent. There is a 2018 sustainability report indicating the significant things many of the breweries are doing. With the current rate of available recycling and single-stream programs, the creation of a recycling tax or fee is the best solution.

From a bill-specific perspective, section 3 of the bill includes water, beer, soft drinks and other similar beverages. A broader array of beverages would be better. With contemporary packaging changes, other spirits and wines are becoming available in recyclable packaging.

In section 11, subsection 2, paragraphs (a) and (b), there is a reference to two kinds of containers that would be coming into the State. This would create confusion. This is referenced again in section 12 of the bill. Some containers would have a refund value, others would not. For these reasons, we are in opposition to S.B. 310.

MICHAEL HILLERBY (Anheuser-Busch):

Anheuser-Busch is opposed to this bill and other similar bottle deposit programs. They raise costs to consumers and negatively impact sales. Our experience in other markets is that in addition to the cost of the deposit itself, deposit programs increase the cost of a six-pack from 25 to 75 cents. This increase is from fees and added costs for handling.

We have questions regarding a bifurcated nature of this system. It is unclear if all containers would have the same stamp and it would be up to the internal process in Nevada to sort those out or if there is an expectation that there would be two different streams of containers marked differently.

Anheuser-Busch has a very ambitious sustainability goal; currently 99.6 percent of all solid waste from packaging and bottling is recycled in the U.S. We average 98 percent worldwide. Currently 50 percent of all purchased electricity in the U.S. is from renewable sources. By 2025, we have a goal that 100 percent of purchased electricity worldwide will be from renewable sources.

NICK VANDER POEL (Reno Sparks Chamber of Commerce):

The Reno Sparks Chamber of Commerce shares the concerns expressed by the Las Vegas Metro Chamber of Commerce and others.

BRIAN NORTHAM (Environmental Health Supervisor, Solid Waste and Compliance Section, Southern Nevada Health District):

We are neutral on this bill but have concerns. I will read from my written testimony ([Exhibit I](#)).

MISTY GRIMMER (Nevada Resort Association):

We are neutral on this bill. There is an exemption given to our properties in section 11 of the bill, but we are willing to continue working with the sponsor on this proposed legislation.

GREG LOVATO (Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources):

I will read from my written testimony ([Exhibit J](#)).

SENATOR HANSEN:

You mentioned 11 other states have bottle deposit programs, the most recent being Hawaii, which began its program in 2002?

MR. LOVATO:

Yes, Hawaii was the last state to adopt a deposit program in 2002. There are ten states and one territory; Guam adopted a program through the Environmental Protection Agency.

SENATOR HANSEN:

In 17 years, no other states have adopted the program. I would like to understand why.

DYLAN SHAVER (City of Reno):

The City of Reno is neutral on S.B. 310. Under NRS 268.081, municipalities are able to enter into franchise agreements, including solid waste programs. The City's goal is to maintain the lowest rates possible for Reno residents, who are currently paying for both solid waste collection and recycling collection. Our single-stream program has been very successful, and we want to ensure that our residents are not subject to double taxation. We are already recycling recyclable containers from our homes, with a 75 percent participation rate. We



are uncertain what effect this program would have on our franchise agreements. Local governments need to be considered in this type of legislation.

SENATOR OHRENSCHALL:

I have still not determined who owns the kiosks in Michigan, but they have high-tech reverse vending machines that scan the containers and detect whether they were purchased in Michigan. This helps reduce fraud in that state.

In terms of whether current recycling programs like single-stream would be compatible with a bottle deposit program, I think they would complement each other and increase recycling. Many of the 11 jurisdictions that have bottle deposits also have single-stream programs. They do not have to be mutually exclusive.

SENATOR SCHEIBLE:

Michigan does use a barcode system, and Nevada could be a leader in high-tech recycling and use a barcode system to alleviate labeling concerns. Perhaps the labeling requirement could be removed altogether if we could implement a robust enough barcode system.

If not, it is unclear why massive producers of billions of water bottles every year could not manage to produce a set of water bottles with a Nevada label that go to the local retailers and small businesses and another bottle that goes to the casinos. Every casino I have been in has a water bottle with a custom label featuring the casino's name and branding. It is unclear why in that process they could not remove the Nevada label and eliminate the exemption concern some have.

A recyclable can or bottle is not the same as a recycled can or bottle. Most of the cans and bottles that are produced today, 99 percent of them, are recyclable. Less than 10 percent of them, however, get recycled. It is worthless to produce entirely recyclable containers if there is no commitment to recapture those bottles and put them back into the recycling system in order to be made into new products. That is what this bill aims to solve. Many products we buy—bottles, cans, dishes, boxes—are made of recyclable materials, but they are not made from recycled materials. This means that we are mining more and more petroleum to create more and more plastic that can be recycled but is not.

In order to get people to recycle, there must be market-driven value in the recyclable materials, which is what this bill accomplishes. From an economic, capitalistic view, this bill corrects a market failure, where externalities exceed the costs on the supply and demand curve. In this case, the externality is the harm to the environment. As legislators, we have the opportunity to find a way to account for this externality by creating a 5 cents artificial increase on the value of the empty container. This incentivizes people to retain that bottle, turn it in to a recycling center and ensure that it is returned to become a recycled product.

I have spoken to private organizations and businesses in the State that utilize recyclable materials to create new products. I do not think it is the role of government to support those businesses, and I do not want to put the names of these businesses on the record, but there are people, businesses and organizations ready and willing to buy raw, recyclable material and turn it into something new. Those businesses are here in the U.S. and Nevada, but they cannot operate if they do not have the critical mass of recyclable materials that come from bottles and cans that are making their way into landfills instead of recycling centers.

Regarding carbon emissions, in my extensive studies on this issue I could not find a single study that could actually quantify the carbon footprint of these kinds of programs. I think this is because in areas where these programs exist, they are designed for the convenience of consumers. People are not having to drive 20 miles to redemption centers, but instead to a gas station nearby. This is particularly true in rural communities where there is little recycling infrastructure.

This bill would allow for the creation of a hub-and-spoke design, without needing government to do it or mandate it. All residents of a small town in Nevada would not want to drive 50, 60 or 100 miles to a recycling center, but there would likely be somebody in that town who, for a small premium, would take all of the recyclable containers from the local schools, restaurants and gas stations to a recycling center once a month and bring the profits back to the community. Does that identify every single point in the process and account for the transition and handling of the money? No, it allows local communities to develop systems that work for them. It allows them to develop systems that are community-based and solutions-oriented.

This is not at odds with single-stream recycling. Even in Las Vegas, the largest city in the State, some people do not have access to single-stream recycling. Renters living in apartments rather than single-family homes do not have access to single-stream recycling and will benefit from this program by being able to recycle their bottles and cans. The people who can afford to live in single-family homes can make the choice, either take the extra time and effort to return their recyclables or leave them in the bin on the sidewalk to help subsidize the cost of running the program.

I think we will find that plenty of people with access to curbside single-stream programs will continue to deposit their bottles and cans in those bins. As such, the recycle haulers, material sorting facilities and other industries that profit from single-stream recycling will continue to see those profits. The government will get a portion of the 5 cents deposit to buy reverse vending machines and administer the program. There is no downside, except to people who make the personal choice to forfeit the 5 cents deposit when they buy bottled water then toss the empty bottles into a single-stream recycling bin on the curb.

This is not a tax. A tax is not refundable. A tax is what they have in Delaware, which replaced its deposit program with a 4 cents tax on containers. This bill is for a deposit that can be retrieved from the government after it has been paid up front.

A 10 cents deposit would be more profitable for the State than the proposed 5 cents deposit, and other jurisdictions are considering increasing their deposit to 10 cents, but with our neighboring states having 5 cents deposits, it would not be feasible to have a higher deposit. Doing so would invite people from these states to come to Nevada to redeem their containers at the higher rate, unless we were to utilize a barcode system.

VICE CHAIR BROOKS:

I will close the hearing on S.B. 310 and open the hearing on S.B. 454.

**SENATE BILL 454:** Revises provisions relating to the unlawful harassment of wildlife. (BDR 45-753)

SENATOR MELANIE SCHEIBLE (Senatorial District No. 9):

Senate Bill 454 expands provisions already in place to prevent the harassment of wildlife, particularly in regard to the use of unmanned devices that can take

flight used in the course of hunting or while engaging in other sportsmen activities. The purpose for introducing this bill is that there have been reports of drones being used to harass wildlife in Yellowstone and Yosemite National Parks.

Drones are becoming more popular. Prior to this Session, I participated in a working group that discussed drone legislation and places where drones need to be more regulated. It occurred to me that drones could be used or abused in the practice of hunting or while following wildlife for other purposes, such as photography. This bill expands existing rules that apply to satellites, hot air balloons and helicopters.

MS. EAST:

The Legislative Committee of the Nevada Wildlife Commission has voted to support S.B. 454.

MR. TURNIPSEED:

Philosophically, the Department of Wildlife is in support of this bill. The Department has updated the aircraft language in NAC to add the terms "manned" and "unmanned". This bill is a logical updating based on the introduction of new technology as it relates to aircraft and wildlife. The Department has an amendment to Assembly Bill 83 that has much the same language as this bill.

**ASSEMBLY BILL 83**: Makes various changes to provisions relating to wildlife.  
(BDR 45-210)

VICE CHAIR BROOKS:

I will close the hearing on S.B. 454.

CHAIR SCHEIBLE:

I will open a work session on S.B. 454. Hearing no discussion I will accept a motion.

SENATOR GOICOECHEA MOVED TO DO PASS S.B. 454.

SENATOR BROOKS SECONDED THE MOTION.

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THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

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Senate Committee on Natural Resources  
April 2, 2019  
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CHAIR SCHEIBLE:

I will close the work session on S.B. 454. Seeing no public comment, I will adjourn the meeting at 6:43 p.m.

RESPECTFULLY SUBMITTED:

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Steve Woodbury,  
Committee Secretary

APPROVED BY:

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Senator Melanie Scheible, Chair

DATE: \_\_\_\_\_

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit / # of pages</b>		<b>Witness / Entity</b>	<b>Description</b>
	A	2		Agenda
	B	6		Attendance Roster
S.B. 275	C	1	Henry Krenka / Nevada Outfitters and Guides Association	Written Testimony
S.B. 275	D	1	Rachel Buzzetti / Nevada Outfitters and Guides Association	Written Testimony
S.J.R. 4 S.B. 347 S.J.R. 1	E	5	Alysa Keller	Work Session Document
S.B. 310	F	20	Senator Melanie Scheible	Visual Presentation
S.B. 310	G	217	Senator Melanie Scheible	Minnesota Recycling Refund Program Case Study
S.B. 310	H	9	Bree Dietly / American Beverage Association	Written Testimony
S.B. 310	I	2	Brian Northam / Southern Nevada Health District	Written Testimony
S.B. 310	J	2	Greg Lovato / Division of Environmental Protection	Written Testimony