

MAINE STATE LEGISLATURE

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2 Date: 4/23/19

(Filing No. S-56)

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4 STATE OF MAINE
5 SENATE
6 129TH LEGISLATURE
7 FIRST REGULAR SESSION

8 SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 60,
9 L.D. 248, Bill, "An Act To Increase the Handling Fee for Beverage Containers
10 Reimbursed to Redemption Centers"

11 Amend the amendment by striking out all of the 3rd paragraph after the title (page 1,
12 lines 15 and 16 in amendment) and inserting the following:

13 'Whereas, this legislation prohibits the issuance of new beverage container
14 redemption center licenses to beverage redemption centers that were not previously
15 issued a license prior to May 1, 2019; and'

16 Amend the amendment by striking out all of sections 1 and 2 and inserting the
17 following:

18 'Sec. 1. 38 MRSA §3106, sub-§7, as enacted by PL 2015, c. 166, §14, is
19 amended to read:

20 7. Reimbursement of handling costs. Reimbursement of handling costs is
21 governed by this subsection.

22 A. In addition to the payment of the refund value, the initiator of the deposit under
23 section 3103, subsections 1, 2 and 4 shall reimburse the dealer or local redemption
24 center for the cost of handling beverage containers subject to section 3103, in an
25 amount that equals at least 3¢ per returned container for containers picked up by the
26 initiator before March 1, 2004, at least 3 1/2¢ for containers picked up on or after
27 March 1, 2004 and before March 1, 2010 and, at least 4¢ for containers picked up on
28 or after March 1, 2010 and before January 1, 2020 and at least 4 1/2¢ for containers
29 picked up on or after January 1, 2020. The initiator of the deposit may reimburse the
30 dealer or local redemption center directly or indirectly through a party with which it
31 has entered into a commingling agreement.

32 B. In addition to the payment of the refund value, the initiator of the deposit under
33 section 3103, subsection 3 shall reimburse the dealer or local redemption center for
34 the cost of handling beverage containers subject to section 3103 in an amount that
35 equals at least 3¢ per returned container for containers picked up by the initiator
36 before March 1, 2004, at least 3 1/2¢ for containers picked up on or after March 1,
37 2004 and before March 1, 2010 and, at least 4¢ for containers picked up on or after
38 March 1, 2010 and before January 1, 2020 and at least 4 1/2¢ for containers picked

1 up on or after January 1, 2020. The initiator of the deposit may reimburse the dealer
2 or local redemption center directly or indirectly through a contracted agent or through
3 a party with which it has entered into a commingling agreement.

4 ~~C. The reimbursement that the initiator of the deposit is obligated to pay the dealer or~~
5 ~~redemption center pursuant to paragraph A or B must be reduced by 1/2¢ for any~~
6 ~~returned container that is subject to a qualified commingling agreement that allows~~
7 ~~the dealer or redemption center to commingle beverage containers of like product~~
8 ~~group, material and size. A commingling agreement is qualified for purposes of this~~
9 ~~paragraph if the department determines that 50% or more of the beverage containers~~
10 ~~of like product group, material and size for which the deposits are being initiated in~~
11 ~~the State are covered by the commingling agreement or that the initiators of deposit~~
12 ~~covered by the commingling agreement are initiators of deposit for wine containers~~
13 ~~who each sell no more than 100,000 gallons of wine or 500,000 beverage containers~~
14 ~~that contain wine in a calendar year. Once the initiator of deposit has established a~~
15 ~~qualified commingling agreement for containers of a like product group, material and~~
16 ~~size, the department shall allow additional brands to be included from a different~~
17 ~~product group if they are of like material. The State, through the Department of~~
18 ~~Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery~~
19 ~~Operations, shall make every reasonable effort to enter into a qualified commingling~~
20 ~~agreement under this paragraph with every other initiator of deposit for beverage~~
21 ~~containers that are of like product group, size and material as the beverage containers~~
22 ~~for which the State is the initiator of deposit.~~

23 D. Paragraphs A, B and C do not apply to a brewer who annually produces no
24 more than 50,000 gallons of its product or a bottler of water who annually sells no
25 more than 250,000 containers each containing no more than one gallon of its product.
26 In addition to the payment of the refund value, an initiator of deposit under section
27 3103, subsections 1 to 4 who is also a brewer who annually produces no more than
28 50,000 gallons of its product or a bottler of water who annually sells no more than
29 250,000 containers each containing no more than one gallon of its product shall
30 reimburse the dealer or local redemption center for the cost of handling beverage
31 containers subject to section 3103 in an amount that equals at least 3¢ per returned
32 container, except that, beginning January 1, 2020, the initiator of deposit shall
33 reimburse the dealer or local redemption center at least 3 1/2¢ per returned container.

34 **Sec. 2. Moratorium on new redemption center licenses.** Notwithstanding
35 any provision of the Maine Revised Statutes, Title 38, chapter 33 to the contrary,
36 beginning May 1, 2019 and ending January 15, 2020, the Department of Environmental
37 Protection may not issue a license to a redemption center that was not licensed as a
38 redemption center pursuant to Title 38, chapter 33 as of April 30, 2019 unless the
39 department determines that a new redemption center is needed to serve an area in which a
40 redemption center licensed as a redemption center pursuant to Title 38, chapter 33 as of
41 April 30, 2019 ceases to operate. This section does not prevent the department from
42 renewing the license of a redemption center previously issued a license pursuant to Title
43 38, chapter 33 prior to May 1, 2019.

44 **Sec. 3. Container redemption efficiencies; report.** The Commissioner of
45 Environmental Protection shall require each initiator of deposit that has entered into a

1 commingling agreement pursuant to the Maine Revised Statutes, Title 38, section 3107,
 2 and the contracted agent of the initiator of deposit, if any, to no later than July 1, 2019
 3 report to the Department of Environmental Protection the number of beverage containers
 4 picked up from each redemption center on each pick-up date in calendar year 2018. The
 5 initiators of deposit that have entered into a commingling agreement may elect to
 6 aggregate the data required under this section for the entire commingling group for the
 7 purpose of reporting to the department. Upon receipt of the data under this section, the
 8 department shall assess the efficiency and convenience of the beverage container
 9 redemption system and develop recommendations to improve efficiencies in the handling
 10 and transportation of beverage containers and to ensure convenient collection of beverage
 11 containers for consumers. On or before January 15, 2020, the commissioner shall submit
 12 a report to the Joint Standing Committee on Environment and Natural Resources detailing
 13 the department's findings and recommendations, including any proposed legislation.
 14 After reviewing the report, the committee may report out legislation to the Second
 15 Regular Session of the 129th Legislature to implement recommendations contained in the
 16 report.

17 **Sec. 4. Appropriations and allocations.** The following appropriations and
 18 allocations are made.

19 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

20 **Alcoholic Beverages - General Operation 0015**

21 Initiative: Provides allocation for the State's cost as an initiator of deposit for spirits for
 22 removal of the 1/2¢ commingling agreement discount in the reimbursement rate paid to a
 23 dealer or local redemption center beginning May 1, 2019.

24	STATE ALCOHOLIC BEVERAGE	2018-19	2019-20	2020-21
25	FUND			
26	All Other	\$17,562	\$114,264	\$124,282
27				
28	STATE ALCOHOLIC BEVERAGE	<u>\$17,562</u>	<u>\$114,264</u>	<u>\$124,282</u>
29	FUND TOTAL			

30 **Alcoholic Beverages - General Operation 0015**

31 Initiative: Provides allocation for the State's cost as an initiator of deposit for spirits for an
 32 increase in the reimbursement rate paid to a dealer or local redemption center by 1/2¢ per
 33 returned beverage container beginning January 1, 2020.

34	STATE ALCOHOLIC BEVERAGE	2018-19	2019-20	2020-21
35	FUND			
36	All Other	\$0	\$57,132	\$124,282
37				
38	STATE ALCOHOLIC BEVERAGE	<u>\$0</u>	<u>\$57,132</u>	<u>\$124,282</u>
39	FUND TOTAL			

1	ADMINISTRATIVE AND			
2	FINANCIAL SERVICES,			
3	DEPARTMENT OF			
4	DEPARTMENT TOTALS	2018-19	2019-20	2020-21
5				
6	STATE ALCOHOLIC	\$17,562	\$171,396	\$248,564
7	BEVERAGE FUND			
8				
9	DEPARTMENT TOTAL - ALL	\$17,562	\$171,396	\$248,564
10	FUNDS			
11				

12 Amend the amendment by relettering or renumbering any nonconsecutive Part letter
 13 or section number to read consecutively.

14 **SUMMARY**

- 15 This amendment amends Committee Amendment "A" to:
- 16 1. Increase the reimbursement to the dealer or local redemption center for the cost of
 17 handling beverage containers by 1/2¢ beginning January 1, 2020;
 - 18 2. Eliminates a provision reducing by 1/2¢ the reimbursement to the dealer or local
 19 redemption center for the cost of handling beverage containers subject to a qualified
 20 commingling agreement;
 - 21 3. Places a moratorium from May 1, 2019 to January 15, 2020 on the issuance by the
 22 Department of Environmental Protection of redemption center licenses to redemption
 23 centers not licensed prior to May 1, 2019 unless the department determines that a new
 24 redemption center is needed to serve an area in which an existing redemption center
 25 ceases to operate. This licensing prohibition does not apply to renewal of redemption
 26 center licenses issued prior to May 1, 2019; and
 - 27 4. Direct the Commissioner of Environmental Protection to require each initiator of
 28 deposit that has entered into a commingling agreement, and its contracted agent, if any, to
 29 no later than July 1, 2019 report to the department the number of beverage containers
 30 picked up from each redemption center on each pick-up date in calendar year 2018.
 31 Upon receipt of this data, the department shall assess the efficiency and convenience of
 32 the beverage container redemption system and develop recommendations to improve
 33 efficiencies in the handling and transportation of beverage containers and to ensure
 34 convenient collection of beverage containers for consumers. On or before January 15,

SENATE AMENDMENT

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2020, the commissioner shall submit a report to the Joint Standing Committee on Environment and Natural Resources detailing the department's findings and recommendations, including any proposed legislation. It authorizes the committee to report out legislation to implement recommendations contained in the report.

FISCAL NOTE REQUIRED

(See attached)

SPONSORED BY: Robert Foley
(Senator FOLEY, R.)
COUNTY: York



129th MAINE LEGISLATURE

LD 248

LR 109(04)

An Act To Increase the Handling Fee for Beverage Containers Reimbursed to Redemption Centers

Fiscal Note for Senate Amendment "A" to Committee Amendment "A" (S-56)

Sponsor: Sen. Foley of York

Fiscal Note Required: Yes

Fiscal Note

	FY 2018-19	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Appropriations/Allocations					
State Alcoholic Beverage Fund	\$17,562	\$152,352	\$67,150	\$0	\$0

Fiscal Detail and Notes

This amendment eliminates the May 1, 2019 one-half cent increase in handling reimbursement in the committee amendment, but keeps the January 1, 2020 increase. This change is offset by a new provision beginning May 1, 2019 that removes from existing law a reduction of one-half cent in the reimbursement paid if the container is subject to a commingling agreement. Taken together these two changes completely offset each other and there is no net fiscal effect from eliminating the May 1, 2019 handling reimbursement increase and eliminating the commingling discount on the same date.

This amendment also prohibits the issuance by the Department of Environmental Protection (DEP) of new redemption center licenses after May 1, 2019 until January 15, 2020, while allowing currently licensed redemption centers to renew licenses. This prohibition will result in a minor Other Special Revenue Funds revenue loss for the department. The amendment also directs the DEP to require the submission of additional information from initiators of deposit regarding their activities in the beverage container redemption program. Any additional costs to BABLO as an initiator of deposit or the DEP as a result of this requirement are anticipated to be minor and can be absorbed within existing budget resources.

This amendment also adjusts the allocations in the committee amendment to better reflect the timing of implementation. These adjustments are not related to the provisions of this amendment.