

# MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

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ONE HUNDRED AND THIRTEENTH LEGISLATURE

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Legislative Document

NO. 2472

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H.P. 1806 House of Representatives, March 8, 1988  
Reference to the Committee on Business Legislation  
suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative SHERBURNE of Dexter.

Cosponsored by Senator BALDACCI of Penobscot,  
Representatives LEBOWITZ of Bangor and TELOW of Lewiston.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-EIGHT

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1                   **AN ACT to Clarify the Obligations of**  
2                   **Distributors, Dealers and Redemption**  
3                   **Centers.**  
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5           Be it enacted by the People of the State of Maine as  
6           follows:

7           **32 MRSA §1866, sub-§5 is enacted to read:**

8           5. Obligation to pick up containers. A

1 distributor has the obligation to pick up any empty,  
2 unbroken and reasonably clean beverage containers of  
3 the particular kind, size and brand sold by the  
4 distributor from dealers to whom that distributor has  
5 sold those beverages and from licensed redemption  
6 centers designated to serve those dealers pursuant to  
7 an order entered under section 1867. With respect to  
8 distributors who, within this State, sell beverages  
9 under a particular label exclusively to one dealer,  
10 which dealer offers those labeled beverages for sale  
11 at retail exclusively at its own establishments, the  
12 distributor shall have the obligation to pick up any  
13 empty, unbroken and reasonably clean beverage  
14 containers of the kind, size and brand sold by the  
15 distributor to the dealer only from those licensed  
16 redemption centers which serve the various  
17 establishments of the dealer, pursuant to an order  
18 entered under section 1867. A dealer who manufactures  
19 its own beverages for exclusive sale by that dealer at  
20 retail shall have the obligation of a distributor  
21 under this section.

#### 22 STATEMENT OF FACT

23 The purpose of this bill is to clarify the  
24 responsibilities of dealers and distributors with  
25 respect to the obligation to pick up redeemed  
26 containers from local dealers and licensed redemption  
27 centers. In recent years, there have been a growing  
28 number of "private label" or "exclusive label"  
29 beverages offered for sale in this State. They are  
30 most often procured by large supermarket chains from  
31 "distributors" who are the manufacturers of the  
32 beverage. Recent events have revealed the need to  
33 clarify the existing law with respect to the question  
34 of whether the private label dealer, the distributor  
35 or the redemption center should bear the burden of  
36 transporting empty, redeemed containers. Under  
37 existing law, supermarkets selling private label  
38 beverages have refused to arrange for the "pickup" of  
39 these containers at redemption centers. Currently,  
40 the law speaks only in terms of the obligation to  
41 accept and pay the refund value for containers, but is

1 silent as to the obligation to pick up the  
2 containers. Since distributors of common or  
3 nonexclusive label beverages typically pick up empties  
4 from dealers and redemption centers at the same time  
5 they are making deliveries, the "pick-up" issue only  
6 came into focus with the recent popularity of private  
7 label containers.

8 This bill, although it clearly defines the  
9 obligations of a distributor, will not disrupt  
10 existing practices in the beverage industry with  
11 respect to the common containers. The distributor of  
12 a private label container, who will almost always be  
13 the manufacturer, will bear the burden of picking up  
14 those containers from certain licensed redemption  
15 centers. In order to avoid the hardship of requiring  
16 the distributor to pick up empties which are redeemed  
17 by redemption centers far away from the nearest  
18 dealer, or supermarket, the distributor is required  
19 only to pick up containers at those licensed  
20 redemption centers which serve the dealer's stores  
21 under an order approving a redemption center, as  
22 issued by the Commissioner of Agriculture, Food and  
23 Rural Resources.

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