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H.P. 970

House of Representatives, March 28, 2011

An Act To Create Consistency and Fairness in Maine's Bottle Bill

Reference to the Committee on Environment and Natural Resources suggested and ordered printed.

Heath & Print

HEATHER J.R. PRIEST Clerk

Presented by Representative PRESCOTT of Topsham. Cosponsored by Senator MARTIN of Kennebec and Representatives: CUSHING of Hampden, DOW of Waldoboro, FITTS of Pittsfield, HAYES of Buckfield, PILON of Saco, TILTON of Harrington, WEAVER of York, WINTLE of Garland.

1 Be it enacted by the People of the State of Maine as follows:

Sec. 1. 32 MRSA §1862, sub-§2, as amended by PL 1993, c. 591, §1 and affected by §5, is further amended to read:

2. Beverage container. "Beverage container" means a bottle, can, jar or other container made of glass, metal or plastic that has been sealed by a manufacturer and at the time of sale contains <u>4 liters 28 ounces</u> or less of a beverage. This term does not include a container composed, in whole or in part, of aluminum and plastic or aluminum and paper in combination as long as the aluminum content represents 10% or less of the unfilled container weight, the container materials represent 5% or less of the total weight of the container and its contents, and the container is filled with a nonalcoholic beverage.

11 Sec. 2. 32 MRSA §1863-A, as enacted by PL 1991, c. 819, §3, is amended to 12 read:

13 **§1863-A. Refund value**

14To encourage container reuse and recycling, every beverage container sold or offered15for sale to a consumer in this State must have a $5 \notin$ deposit and refund value. The deposit16and refund value are determined according to the provisions of this section.

17 **1. Refillable containers.** For refillable beverage containers, except wine and spirits
 18 containers, the manufacturer shall determine the deposit and refund value according to
 19 the type, kind and size of the beverage container. The deposit and refund value may not
 20 be less than 5¢.

21 2. Nonrefillable containers; exclusive distributorships. For nonrefillable beverage
 22 containers, except wine and spirits containers, sold through geographically exclusive
 23 distributorships, the distributor shall determine and initiate the deposit and refund value
 24 according to the type, kind and size of the beverage container. The deposit and refund
 25 value must not be less than 5¢.

3. Nonrefillable containers; nonexclusive distributorships. For nonrefillable
 beverage containers, except wine and spirits containers, not sold through geographically
 exclusive distributorships, the deposit and refund value may not be less than 5¢.

29 4. Wine and spirits containers. For wine and spirits containers of greater than 50 30 milliliters, the refund value may not be less than 15¢. On January 1, 1993, the 31 department shall issue a finding on the percentages of wine containers and spirits containers returned for deposit. If the department finds the return rate of wine containers 32 33 was less than 60% during the year ending September 1992, then, on July 1, 1993, the refund value on wine containers may not be less than 25¢. If the department finds the 34 return rate of spirits containers was less than 60% during the year ending September 35 1992, then, on July 1, 1993, the refund value of spirits containers may not be less than 36 37 25¢.

38 Sec. 3. 32 MRSA §1865, sub-§1-A, as amended by PL 1991, c. 819, §4, is
 39 further amended to read:

1 1-A. Labels; nonrefillable containers; nonexclusive distributorships. With 2 respect to nonrefillable beverage containers the deposits for which are initiated pursuant 3 to section 1863-A, subsection 3, the refund value and the word "Maine" or the abbreviation "ME" must be clearly indicated on every refundable beverage container sold 4 5 or offered for sale by a dealer in this State, by permanently embossing or permanently 6 stamping the beverage containers, except in instances when the initiator of the deposit has 7 specific permission from the department to use stickers or similar devices. The refund 8 value may not be indicated on the bottom of the container. Metal beverage containers 9 must be permanently embossed or permanently stamped on the tops of the containers.

10 Sec. 4. 32 MRSA §1865, sub-§1-B, as enacted by PL 1995, c. 437, §1, is 11 amended to read:

12 nonrefillable **1-B.** Labels: containers: exclusive distributorships. 13 Notwithstanding subsection 1 and with respect to nonrefillable beverage containers, for the deposits that are initiated pursuant to section 1863-A, subsection 2, the refund value 14 15 and the word "Maine" or the abbreviation "ME" may be clearly indicated on refundable beverage containers sold or offered for sale by a dealer in this State by use of stickers or 16 similar devices if those containers are not otherwise marked in accordance with 17 18 subsection 1. A redemption center shall accept containers identified by stickers in 19 accordance with this subsection or by embossing or stamping in accordance with 20 subsection 1.

Sec. 5. 32 MRSA §1865, sub-§2, as repealed and replaced by PL 1991, c. 819,
 §5, is amended to read:

23 **2. Brand name.** Refillable glass beverage containers of carbonated beverages, for 24 which the deposit is initiated under section 1863-A, subsection 1, that have a refund value 25 of not less than 5ϕ and a brand name permanently marked on the container are not 26 required to comply with subsection 1. The exception provided by this subsection does 27 not apply to glass beverage containers that contain spirits, wine or malt liquor as those 28 terms are defined by Title 28-A, section 2.

Sec. 6. 32 MRSA §1865, sub-§3, as amended by PL 2003, c. 499, §4, is further
 amended to read:

31 **3.** Label registration. An initiator of deposit shall register the container label of any 32 beverage offered for sale in the state State on which it initiates a deposit. Registration 33 must be on forms or in an electronic format provided by the department and must include 34 the universal product code for each combination of beverage and container manufactured. The initiator of deposit shall renew a label registration annually and whenever that label 35 36 is revised by altering the universal product code or whenever the container on which it appears is changed in size, composition or glass color. The initiator of deposit shall also 37 38 include as part of the registration the method of collection for that type of container, 39 identification of a collection agent, identification of all of the parties to a commingling 40 agreement that applies to the container and proof of the collection agreement. The 41 department may charge a fee for registration and registration renewals under this subsection. Rules adopted pursuant to this subsection that establish fees are major 42 43 substantive rules as defined in Title 5, chapter 375, subchapter 2-A and subject to review

- by the joint standing committee of the Legislature having jurisdiction over business and
 economic development environmental and natural resources matters.
- 3 Sec. 7. 32 MRSA §1866, sub-§4, ¶A, as amended by PL 2009, c. 405, §1, is
 4 repealed.
- 5 Sec. 8. 32 MRSA §1866, sub-§4, ¶B, as amended by PL 2009, c. 405, §2, is 6 further amended to read:
- 7 B. In addition to the payment of the refund value, the initiator of the deposit under 8 section 1863-A, subsection 3 shall reimburse the dealer or local redemption center for 9 the cost of handling beverage containers subject to section 1863-A in an amount that equals at least 3¢ per returned container for containers picked up by the initiator 10 11 before March 1, 2004, at least 3 1/2¢ for containers picked up on or after March 1, 12 2004 and before March 1, 2010 and at least 4¢ for containers picked up on or after 13 March 1, 2010. The initiator of the deposit may reimburse the dealer or local 14 redemption center directly or indirectly through a contracted agent or through a party with which it has entered into a commingling agreement. 15
- Sec. 9. 32 MRSA §1866, sub-§4, ¶C, as enacted by PL 2003, c. 499, §6, is
 amended to read:
- 18 The reimbursement that the initiator of the deposit is obligated to pay the dealer C. 19 or redemption center pursuant to paragraph A or B must be reduced by 1/2c for any 20 returned container that is subject to a qualified commingling agreement that allows 21 the dealer or redemption center to commingle beverage containers of like product group, material and size. A commingling agreement is gualified for purposes of this 22 23 paragraph if the department determines that 50% or more of the beverage containers 24 of like product group, material and size for which the deposits are being initiated in 25 the State are covered by the commingling agreement. Once the initiator of deposit has established a qualified commingling agreement for containers of a like product 26 27 group, material and size, the department shall allow additional brands to be included from a different product group if they are of like material. The State, through the 28 Department of Administrative and Financial Services, Bureau of Alcoholic 29 30 Beverages and Lottery Operations, shall make every reasonable effort to enter into a 31 qualified commingling agreement under this subparagraph paragraph with every 32 other initiator of deposits for beverage containers that are of like product group, size and material as the beverage containers for which the State is the initiator of deposit. 33
- 34 Sec. 10. 32 MRSA §1866, sub-§4, ¶D, as amended by PL 2009, c. 405, §3, is 35 further amended to read:
- D. Paragraphs A, B and C of this subsection do not apply to a brewer who annually produces no more than 50,000 gallons of its product or a bottler of water who annually sells no more than 250,000 containers each containing no more less than one gallon of its product. In addition to the payment of the refund value, an initiator of deposit under section 1863-A, subsections 1 to 4 who is also a brewer who annually produces no more than 50,000 gallons of its product or a bottler of water who annually sells no more than 250,000 containers each containing no more less than one

gallon of its product shall reimburse the dealer or local redemption center for the cost of handling beverage containers subject to section 1863-A in an amount that equals at least 3¢ per returned container.

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4 Sec. 11. 32 MRSA §1866, sub-§5, ¶A, as amended by PL 1991, c. 819, §8, is 5 further amended to read:

6 A. A distributor that initiates the deposit under section 1863-A, subsection 2 or 4 has 7 the obligation to pick up any empty, unbroken and reasonably clean beverage containers of the particular kind, size and brand sold by the distributor from dealers to 8 9 whom that distributor has sold those beverages and from licensed redemption centers 10 designated to serve those dealers pursuant to an order entered under section 1867. A distributor that, within this State, sells beverages under a particular label exclusively 11 12 to one dealer, which dealer offers those labeled beverages for sale at retail exclusively at the dealer's establishment, shall pick up any empty, unbroken and 13 reasonably clean beverage containers of the kind, size and brand sold by the 14 15 distributor to the dealer only from those licensed redemption centers that serve the various establishments of the dealer, under an order entered under section 1867. A 16 17 dealer that manufactures its own beverages for exclusive sale by that dealer at retail has the obligation of a distributor under this section. The commissioner may 18 19 establish by rule, in accordance with the Maine Administrative Procedure Act, 20 criteria prescribing the manner in which distributors shall fulfill the obligations imposed by this paragraph. The rules may establish a minimum number or value of 21 22 containers below which a distributor is not required to respond to a request to pick up 23 empty containers. Any rules promulgated under this paragraph must allocate the burdens associated with the handling, storage and transportation of empty containers 24 25 to prevent unreasonable financial or other hardship.

- Sec. 12. 32 MRSA §1866, sub-§5, ¶B, as amended by PL 1991, c. 819, §8, is
 further amended to read:
- B. The initiator of the deposit under section 1863-A, subsection 3 has the obligation to pick up any empty, unbroken and reasonably clean beverage containers of the particular kind, size and brand sold by the initiator from dealers to whom a distributor has sold those beverages and from licensed redemption centers designated to serve those dealers pursuant to an order entered under section 1867. The obligation may be fulfilled by the initiator directly or indirectly through a contracted agent.
- 34 Sec. 13. 32 MRSA §1866, sub-§5, ¶C, as enacted by PL 2003, c. 499, §7, is 35 amended to read:
- C. An initiator of the deposit under section 1863-A, subsection 2, 3 or 4 has the obligation to pick up any empty, unbroken and reasonably clean beverage containers that are commingled pursuant to a commingling agreement along with any beverage containers that the initiator is otherwise obligated to pick up pursuant to paragraphs A and B.
- 41 Sec. 14. 32 MRSA §1871-A, sub-§1, as corrected by RR 2001, c. 2, Pt. A, §41, 42 is amended to read:

1 1. Procedures; licensing fees. The department shall adopt rules establishing the 2 requirements and procedures for issuance of licenses and annual renewals under this 3 section, including a fee structure. Initial rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. Rules adopted 4 5 effective after calendar year 2003 are major substantive rules as defined in Title 5, 6 chapter 375, subchapter 2-A and are subject to review by the joint standing committee of the Legislature having jurisdiction over business and economic development 7 environmental and natural resources matters. 8

9 Sec. 15. 32 MRSA §1874 is enacted to read:

10 §1874. Transition period

Initiation of deposit. Effective December 1, 2011, there is no deposit charged on
 any beverage container greater than 28 ounces.

2. Redeem deposit. Beginning February 1, 2012, a dealer or redemption center has
 no liability to any consumer that relates to the deposit on any beverage container greater
 than 28 ounces. Beginning March 1, 2012, a manufacturer or distributor has no liability
 to any dealer or redemption center that relates to the deposit or handling fee on any
 beverage container greater than 28 ounces.

3. Initiation of 5¢ deposit. Effective December 1, 2011, the deposit for all beverage
 containers 28 ounces or less is 5¢.

A. Redeem 5¢ deposit. Beginning February 1, 2012, a dealer or redemption center
 has no liability to any consumer greater than 5¢ on any beverage container. Beginning
 March 1, 2012, a manufacturer or distributor has no liability to any dealer or redemption
 center greater than 5¢ on any beverage container.

24 SUMMARY

This bill removes containers larger than 28 ounces from the bottle bill. It establishes a period for phaseout for discontinuing the issuance of deposit and redemption of deposit for these items, including the payment of deposits by redemption centers to consumers and the payment of deposits and handling fees by manufacturers and distributors to redemption centers.

30 The bill also establishes a uniform deposit of 5ϕ for all containers and establishes a 31 similar period for phaseout for converting the deposit on those items from 15ϕ to 5ϕ .