

MAINE STATE LEGISLATURE

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Date: 5/3/17 Majority L.D. 56
(Filing No. H- 107)

ENVIRONMENT AND NATURAL RESOURCES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 43, L.D. 56, Bill, "An Act To Include 50 Milliliter and Smaller Liquor Bottles in the Laws Governing Returnable Containers"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 38 MRSA §3103, sub-§4, as enacted by PL 2015, c. 166, §14, is amended to read:

4. Wine and spirits containers. For wine and spirits containers of 50 milliliters or less, the refund value may not be more than 5¢. For wine and spirits containers of greater than 50 milliliters, the refund value may not be less than 15¢.

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Alcoholic Beverages - General Operation 0015**

Initiative: Provides an allocation for additional contract costs for the spirits administration contract to include redemption of 50 milliliter bottles, which is not included in the current contract.

| | | |
|--|------------------|------------------|
| STATE ALCOHOLIC BEVERAGE FUND | 2017-18 | 2018-19 |
| All Other | \$580,000 | \$862,763 |
| STATE ALCOHOLIC BEVERAGE FUND TOTAL | <u>\$580,000</u> | <u>\$862,763</u> |

Sec. 3. Effective date. This Act takes effect January 1, 2019.'

COMMITTEE AMENDMENT

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SUMMARY

This amendment, which is the majority report of the committee, replaces the bill. The amendment provides that, effective January 1, 2019, 50 milliliter and smaller wine or spirits bottles are included in the laws governing returnable containers and are subject to a refund value of not more than 5¢. The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)



128th MAINE LEGISLATURE

LD 56

LR 95(02)

An Act To Include 50 Milliliter and Smaller Liquor Bottles in the Laws Governing Returnable Containers

Fiscal Note for Bill as Amended by Committee Amendment "A" (17-107)
 Committee: Environment and Natural Resources

Fiscal Note Required: Yes

Fiscal Note

| | FY 2017-18 | FY 2018-19 | Projections FY 2019-20 | Projections FY 2020-21 |
|-----------------------------------|------------|------------|---------------------------|---------------------------|
| Appropriations/Allocations | | | | |
| State Alcoholic Beverage Fund | \$580,000 | \$862,763 | \$1,200,000 | \$1,200,000 |
| Revenue | | | | |
| Other Special Revenue Funds | \$0 | \$1,280 | \$1,280 | \$1,280 |

Fiscal Detail and Notes

This bill would include 50 milliliter and smaller wine or spirits bottles in the state bottle redemption program starting January 1, 2019. Because the bottle redemption program is included in the spirits administration contract with Pine State Trading Company, this change would require the contract be renegotiated. The spirits contract vendor would be required to affix redemption stickers to existing inventory in stock and all future inventory of product if producers choose not to modify their product labels to include redemption information. New packaging equipment would require an 8 to 12 month lead time for the vendor to order, have manufactured and accept delivery. The equipment purchase will require a one time allocation of \$580,000 in fiscal year 2017-18. The bill includes an allocation \$862,763 in fiscal year 2018-19 for additional payments to redemption centers, recycling centers, Pine State's labor and equipment needed to perform the new labeling requirements and a one-time allowance for fraudulently or mistakenly redeemed containers. It is anticipated that the Alcoholic Beverages Fund will have sufficient revenue to fund the additional allocation for the foreseeable future. However, the additional expenditures from the fund may put required future payments to the Maine Municipal Bond Bank at risk.

The Department of Environmental Protection estimates that an additional 320 products would be subject to the rules clarifying the responsibilities of manufacturers, dealers, distributors, initiators of deposit, contracted agents and redemption centers under the Returnable Beverage Container Law. Each beverage container and label must be registered with the department prior to being offered for sale in the State. Registration is \$4 per label, which would increase Other Special Revenue Funds revenue by \$1,280 annually beginning in fiscal year 2018-19.