

MAINE STATE LEGISLATURE

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Date: 3/5/18 Report B

L.D. 1703
(Filing No. H-626)

ENVIRONMENT AND NATURAL RESOURCES

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

COMMITTEE AMENDMENT "A" to H.P. 1183, L.D. 1703, Bill, "An Act To Create Equity for Wine and Spirits Container Deposits"

Amend the bill by inserting after section 1 the following:

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 reimbursement payments to agency liquor stores for the difference between the deposits on spirits purchased before March 1, 2019 and the refund value on those same purchases still unsold or returned after that date.

STATE ALCOHOLIC BEVERAGE FUND	2017-18	2018-19
All Other	\$0	\$60,000
STATE ALCOHOLIC BEVERAGE FUND TOTAL	<u>\$0</u>	<u>\$60,000</u>

Sec. 3. Effective date. That section of this Act that repeals and replaces the Maine Revised Statutes, Title 38, section 3103, subsection 4 takes effect March 1, 2019.'

SUMMARY

This amendment, which is a minority report of the committee, provides that the uniform refund value of not more than 5¢ for all wine and spirits containers does not take effect until March 1, 2019. It also adds an appropriations and allocations section to the bill.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



128th MAINE LEGISLATURE

LD 1703

LR 2632(02)

An Act To Create Equity for Wine and Spirits Container Deposits

Fiscal Note for Bill as Amended by Committee Amendment *A (H-626)*

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	\$0	\$60,000	\$0	\$0

Fiscal Detail and Notes

This bill would create a uniform refund value of 5¢ for all returnable beverage containers starting March 1, 2019. Because the bottle redemption program is included in the spirits administration contract with Pine State Trading Company, this change would require an addendum to the current contract. As a result of the new redemption value, the spirits contract vendor would be required to phase in new redemption stickers and to affix new redemption stickers to any remaining inventory in stock that was purchased prior to, and that remained unsold on, March 1, 2019. Additionally, because the Bureau of Alcoholic Beverages and Lottery Operations acts as the initiator of deposits on Spirits purchased under the spirits contract, the bureau will be required to reimburse agency liquor stores for the cost difference between the deposits on spirits purchased before March 1, 2019 and the refund value on those same purchases still unsold or returned after that date. The bill includes a one-time allocation of \$60,000 in fiscal year 2018-19 to reimburse agency liquor stores. It is anticipated that the Alcoholic Beverages Fund will have sufficient revenue to fund the allocation.

Any additional costs to the Department of Environmental Protection as a result of changes to the redemption value are anticipated to be minor and can be absorbed within existing budgeted resources.