

# MAINE STATE LEGISLATURE

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MAJORITY

L.D. 248

Date: 3/25/19

(Filing No. S- 20 )

ENVIRONMENT AND NATURAL RESOURCES

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

129TH LEGISLATURE

FIRST REGULAR SESSION

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

Amend the bill by inserting after the title and before the enacting clause the following:

**'Emergency preamble. Whereas,** acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** this legislation increases the amount that initiators of deposit reimburse dealers and local redemption centers beginning May 1, 2019; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

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

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

**7. Reimbursement of handling costs.** Reimbursement of handling costs is governed by this subsection.

A. In addition to the payment of the refund value, the initiator of the deposit under section 3103, subsections 1, 2 and 4 shall reimburse the dealer or local redemption center for the cost of handling beverage containers subject to section 3103, in an amount that equals at least 3¢ per returned container for containers picked up by the initiator before March 1, 2004, at least 3 1/2¢ for containers picked up on or after March 1, 2004 and before March 1, 2010 and, at least 4¢ for containers picked up on or after March 1, 2010 and before May 1, 2019, at least 4 1/2¢ for containers picked up on or after May 1, 2019 and before January 1, 2020 and at least 5¢ for containers picked up on or after January 1, 2020. The initiator of the deposit may reimburse the

**COMMITTEE AMENDMENT**

1 dealer or local redemption center directly or indirectly through a party with which it  
2 has entered into a commingling agreement.

3 B. In addition to the payment of the refund value, the initiator of the deposit under  
4 section 3103, subsection 3 shall reimburse the dealer or local redemption center for  
5 the cost of handling beverage containers subject to section 3103 in an amount that  
6 equals at least 3¢ per returned container for containers picked up by the initiator  
7 before March 1, 2004, at least 3 1/2¢ for containers picked up on or after March 1,  
8 2004 and before March 1, 2010 and, at least 4¢ for containers picked up on or after  
9 March 1, 2010 and before May 1, 2019, at least 4 1/2¢ for containers picked up on or  
10 after May 1, 2019 and before January 1, 2020 and at least 5¢ for containers picked up  
11 on or after January 1, 2020. The initiator of the deposit may reimburse the dealer or  
12 local redemption center directly or indirectly through a contracted agent or through a  
13 party with which it has entered into a commingling agreement.

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

33 D. Paragraphs A, B and C do not apply to a brewer who annually produces no more  
34 than 50,000 gallons of its product or a bottler of water who annually sells no more  
35 than 250,000 containers each containing no more than one gallon of its product. In  
36 addition to the payment of the refund value, an initiator of deposit under section  
37 3103, subsections 1 to 4 who is also a brewer who annually produces no more than  
38 50,000 gallons of its product or a bottler of water who annually sells no more than  
39 250,000 containers each containing no more than one gallon of its product shall  
40 reimburse the dealer or local redemption center for the cost of handling beverage  
41 containers subject to section 3103 in an amount that equals at least 3¢ per returned  
42 container, except that, beginning May 1, 2019, the initiator of deposit shall reimburse  
43 the dealer or local redemption center at least 3 1/2¢ per returned container and,  
44 beginning January 1, 2020, the initiator of deposit shall reimburse the dealer or local  
45 redemption center at least 4¢ per returned container.

**COMMITTEE AMENDMENT**

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**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 allocation for the State's cost as an initiator of deposit for spirits of an increase in the reimbursement rate paid to a dealer or local redemption center by one-half cent per returned beverage container beginning May 1, 2019 and by another one-half cent beginning January 1, 2020.

<b>STATE ALCOHOLIC BEVERAGE FUND</b>	<b>2019-20</b>	<b>2020-21</b>
All Other	\$19,044	\$181,414
<b>STATE ALCOHOLIC BEVERAGE FUND TOTAL</b>	<b>\$19,044</b>	<b>\$181,414</b>

**Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved.'

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

**SUMMARY**

This amendment, which is the majority report of the committee, increases the reimbursement to the dealer or local redemption center for the cost of handling beverage containers by one-half cent beginning May 1, 2019 and by an additional one-half cent beginning January 1, 2020. It also adds an emergency preamble and emergency clause and an appropriations and allocations section.

**FISCAL NOTE REQUIRED**

(See attached)



# 129th MAINE LEGISLATURE

LD 248

LR 109(02)

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

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-20)  
 Committee: Environment and Natural Resources  
 Fiscal Note Required: Yes

### Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
<b>Appropriations/Allocations</b>				
State Alcoholic Beverage Fund	\$19,044	\$181,414	\$271,180	\$296,747

#### Fiscal Detail and Notes

This bill would increase the cost of handling reimbursement paid per returned beverage container by the initiator of deposit to dealers and local redemption centers under the state bottle redemption program by half a cent beginning May 1, 2019 and by another half a cent beginning January 1, 2020. Since the Bureau of Alcoholic Beverages and Lottery Operations (BABLO) functions as the initiator of deposit for all spirits sold in Maine, the increase in reimbursement would require an additional allocation from the Alcoholic Beverages Fund of \$19,044 in fiscal year 2019-20 and \$181,414 in fiscal year 2020-21. Because the bottle redemption program and any payments required by the initiator of deposit is included in the spirits administration contract with Pine State Trading Company, this change will require the contract to be renegotiated.

It is anticipated that the Alcoholic Beverages Fund will have sufficient revenue to fund the additional allocation for the foreseeable future. However, additional expenditures from the fund may put required future payments to the Maine Municipal Bond Bank at risk.