

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 575

H.P. 419

House of Representatives, February 5, 2019

An Act To Increase the Bottle Redemption Deposit and the Amount Retained by Bottle Redemption Centers

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

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative HANINGTON of Lincoln.
Cosponsored by Representatives: CAMPBELL of Orrington, FOSTER of Dexter, GRIGNON of Athens, JOHANSEN of Monticello, LYFORD of Eddington, TUELL of East Machias.

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

2 **Sec. 1. 38 MRSA §3103, sub-§§1 to 3**, as enacted by PL 2015, c. 166, §14, are
3 amended to read:

4 **1. Refillable containers.** For refillable beverage containers, except wine and spirits
5 containers, the manufacturer shall determine the deposit and refund value according to
6 the type, kind and size of the beverage container. The deposit and refund value may not
7 be less than ~~5¢~~ 10¢.

8 **2. Nonrefillable containers; exclusive distributorships.** For nonrefillable beverage
9 containers, except wine and spirits containers, sold through geographically exclusive
10 distributorships, the distributor shall determine and initiate the deposit and refund value
11 according to the type, kind and size of the beverage container. The deposit and refund
12 value may not be less than ~~5¢~~ 10¢.

13 **3. Nonrefillable containers; nonexclusive distributorships.** For nonrefillable
14 beverage containers, except wine and spirits containers, not sold through geographically
15 exclusive distributorships, the deposit and refund value may not be less than ~~5¢~~ 10¢.

16 **Sec. 2. 38 MRSA §3105, sub-§4**, as enacted by PL 2015, c. 166, §14, is amended
17 to read:

18 **4. Brand name.** Refillable glass beverage containers of carbonated beverages, for
19 which the deposit is initiated under section 3103, subsection 1, that have a refund value of
20 not less than ~~5¢~~ 10¢ and a brand name permanently marked on the container are not
21 required to comply with subsection 1. The exception provided by this subsection does
22 not apply to glass beverage containers that contain spirits, wine or malt liquor as those
23 terms are defined by Title 28-A, section 2.

24 **Sec. 3. 38 MRSA §3106, sub-§7**, as enacted by PL 2015, c. 166, §14, is amended
25 to read:

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

28 A. In addition to the payment of the refund value, the initiator of the deposit under
29 section 3103, subsections 1, 2 and 4 shall reimburse the dealer or local redemption
30 center for the cost of handling beverage containers subject to section 3103, in an
31 amount that equals at least 3¢ per returned container for containers picked up by the
32 initiator before March 1, 2004, at least 3 1/2¢ for containers picked up on or after
33 March 1, 2004 and before March 1, 2010 ~~and~~, at least 4¢ for containers picked up on
34 or after March 1, 2010 and before January 1, 2020 and at least 7¢ for containers
35 picked up on or after January 1, 2020. The initiator of the deposit may reimburse the
36 dealer or local redemption center directly or indirectly through a party with which it
37 has entered into a commingling agreement.

38 B. In addition to the payment of the refund value, the initiator of the deposit under
39 section 3103, subsection 3 shall reimburse the dealer or local redemption center for

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

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

28 ~~D. Paragraphs A, B and C do not apply to a brewer who annually produces no more~~
29 ~~than 50,000 gallons of its product or a bottler of water who annually sells no more~~
30 ~~than 250,000 containers each containing no more than one gallon of its product. In~~
31 ~~addition to the payment of the refund value, an initiator of deposit under section~~
32 ~~3103, subsections 1 to 4 who is also a brewer who annually produces no more than~~
33 ~~50,000 gallons of its product or a bottler of water who annually sells no more than~~
34 ~~250,000 containers each containing no more than one gallon of its product shall~~
35 ~~reimburse the dealer or local redemption center for the cost of handling beverage~~
36 ~~containers subject to section 3103 in an amount that equals at least 3¢ per returned~~
37 ~~container.~~

38 SUMMARY

39 This bill:

40 1. Increases to 10¢ the deposit and refund value on refillable and nonrefillable
41 beverage containers whose deposit and refund value is currently 5¢. This increase does
42 not apply to wine and spirits containers;

- 1 2. Repeals the provision that authorizes the reduced handling fee for small brewers
2 and water bottlers; and

- 3 3. Increases by 3¢ per returned container the reimbursement to the dealer or local
4 redemption center for the cost of handling beverage containers beginning January 1,
5 2020.