

# MAINE STATE LEGISLATURE

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L.D. 134

2

Date: 4/18/23

(Filing No. S-34)

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**ENVIRONMENT AND NATURAL RESOURCES**

4

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

5

**STATE OF MAINE**

6

**SENATE**

7

**131ST LEGISLATURE**

8

**FIRST SPECIAL SESSION**

9

COMMITTEE AMENDMENT "A" to S.P. 73, L.D. 134, "An Act to Increase the Handling Fee for Beverage Containers Reimbursed to Dealers and Redemption Centers"

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

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

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**Whereas,** the State's successful beverage container redemption program protects public health and safety by preventing litter from polluting water sources and spreading disease and by reducing air and water contamination caused by the burning of containers in a waste-to-energy facility or the disposal of containers in a landfill; and

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**Whereas,** Maine residents rely on beverage container redemption centers as a convenient option for redeeming container refunds, which many residents use to support their household budgets; and

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**Whereas,** redemption centers are struggling to address increased system costs due to inflation and other factors, which have forced many redemption centers to reduce hours or close, while at the same time, recent increased demands for redemption services are overwhelming redemption centers still in operation; and

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**Whereas,** necessary operational changes to streamline the beverage container redemption program cannot be implemented in sufficient time to address the current cost and demand issues overwhelming redemption centers now and in the near future; and

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**Whereas,** an immediate increase in the handling fee paid by initiators of deposit to redemption centers and an additional future increase in that fee, as provided in this legislation, are necessary to prevent further redemption center closures; and

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**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,'

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

3 **Sec. 1. 38 MRSA §3106, sub-§7**, as amended by PL 2019, c. 526, §7, is further  
4 amended to read:

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

7 A. In addition to the payment of the refund value, the initiator of the deposit under  
8 section 3103, subsections 1, 2 and 4 shall reimburse the dealer or redemption center  
9 for the cost of handling beverage containers subject to section 3103, in an amount that  
10 equals at least 3¢ per returned container for containers picked up by the initiator before  
11 March 1, 2004, at least 3 1/2¢ for containers picked up on or after March 1, 2004 and  
12 before March 1, 2010, at least 4¢ for containers picked up on or after March 1, 2010  
13 and before January 1, 2020 ~~and~~, at least 4 1/2¢ for containers picked up on or after  
14 January 1, 2020 ~~and before May 1, 2023~~, at least 5 1/2¢ for containers picked up on or  
15 after May 1, 2023 and before September 1, 2023 and at least 6¢ for containers picked  
16 up on or after September 1, 2023. The initiator of the deposit may reimburse the dealer  
17 or redemption center directly or indirectly through a party with which it has entered  
18 into a commingling agreement.

19 B. In addition to the payment of the refund value, the initiator of the deposit under  
20 section 3103, subsection 3 shall reimburse the dealer or redemption center for the cost  
21 of handling beverage containers subject to section 3103 in an amount that equals at  
22 least 3¢ per returned container for containers picked up by the initiator before March  
23 1, 2004, at least 3 1/2¢ for containers picked up on or after March 1, 2004 and before  
24 March 1, 2010, at least 4¢ for containers picked up on or after March 1, 2010 and before  
25 January 1, 2020 ~~and~~, at least 4 1/2¢ for containers picked up on or after January 1, 2020  
26 and before May 1, 2023, at least 5 1/2¢ for containers picked up on or after May 1,  
27 2023 and before September 1, 2023 and at least 6¢ for containers picked up on or after  
28 September 1, 2023. The initiator of the deposit may reimburse the dealer or redemption  
29 center directly or indirectly through a contracted agent or through a party with which  
30 it has entered into a commingling agreement.

31 **Sec. 2. Appropriations and allocations.** The following appropriations and  
32 allocations are made.

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

35 Initiative: Provides allocations for the State’s cost as an initiator of deposit for spirits for  
36 an increase in the reimbursement rate paid to a dealer or local redemption center of 1¢ per  
37 returned beverage container beginning May 1, 2023 and another 1/2¢ beginning September  
38 1, 2023.

39	<b>STATE ALCOHOLIC BEVERAGE</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
40	<b>FUND</b>			
41	All Other	\$52,959	\$450,155	\$514,766
42				
43	STATE ALCOHOLIC BEVERAGE	\$52,959	\$450,155	\$514,766
44	FUND TOTAL			

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**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 replaces the bill. It adds an emergency preamble and emergency clause and amends the beverage container redemption laws to increase the amount of the reimbursement of beverage container handling costs paid by an initiator of deposit to a dealer or redemption center from 4 1/2¢ per container to 5 1/2¢ per container beginning May 1, 2023 and to 6¢ per container beginning September 1, 2023. The amendment also adds an appropriations and allocations section.

**FISCAL NOTE REQUIRED**

(See attached)



# 131st MAINE LEGISLATURE

LD 134

LR 197(02)

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

Fiscal Note for Bill as Amended by Committee Amendment "A" (5-34)  
 Committee: Environment and Natural Resources  
 Fiscal Note Required: Yes

### Fiscal Note

	FY 2022-23	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Appropriations/Allocations</b>					
State Alcoholic Beverage Fund	\$52,959	\$450,155	\$514,766	\$555,947	\$600,423

### Fiscal Detail and Notes

This bill increases the cost of handling reimbursement paid per returned beverage container paid by the initiator of deposit to dealers and local redemption centers by one cent beginning May 1, 2023 and another half-cent beginning September 1, 2023. 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 the reimbursement rates will require an additional allocation to the Alcoholic Beverages Fund of \$52,959 in fiscal year 2022-23, \$450,155 in fiscal year 2023-24 and \$514,766 in fiscal year 2024-25. Because the bottle redemption program and any payments required by the initiator of deposit are included in the spirits administration contract with Pine State Trading Company, this change will require the contract to be renegotiated.