

MAINE STATE LEGISLATURE

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Date 6/21/23

L D 1909
(Filing No H-6657)

ENVIRONMENT AND NATURAL RESOURCES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H P 1225, L D 1909, "An Act to Modernize
Maine's Beverage Container Redemption Law"

Amend the bill by striking out all of section 2 and inserting the following

'Sec. 2. 38 MRS A §3102, sub-§1-A is enacted to read

1-A. Account-based bulk processing program. "Account-based bulk processing program" means a beverage container recycling program implemented by a redemption center or pick-up agent that meets the requirements of rules adopted by the department, is approved by the department, consolidates beverage containers subject to the requirements of this chapter through bulk sorting, collects data regarding each container sorted, provides electronic data reports specifying the number of containers sorted by universal product code along with information regarding the container brand, redemption location and container material type to support an accounting of deposits, fees and material weight and prepares the sorted containers for sale to recyclers. An account-based bulk processing program may include a bag drop program as a program component.'

Amend the bill in section 3 in subsection 1-B in the 7th line (page 1, line 25 in L D)
by striking out the following "2 business" and inserting the following '10 calendar'

Amend the bill in section 7 in subsection 19 in the 4th line (page 2, line 13 in L D) by
striking out the following "beverage containers" and inserting the following 'beverage
containers each beverage container'

Amend the bill in section 11 in subsection 4 in the first line (page 2, line 30 in L D)
by striking out the following "glass"

Amend the bill in section 11 in subsection 4 in the first line (page 2, line 30 in L D)
by striking out the following "glass" and inserting the following 'glass'

Amend the bill by striking out all of sections 12 to 19 and inserting the following

'Sec. 12. 38 MRS A §3105, sub-§5, as amended by PL 2019, c 526, §6, is further
amended to read

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5. Label registration. An initiator of deposit shall register the container label of any beverage offered for sale in the State on which it initiates a deposit. Registration must be on forms or in an electronic format provided by the department prior to July 15, 2025 and by the cooperative beginning July 15, 2025 and must include the universal product code for each combination of beverage and container manufactured. The initiator of deposit shall renew a label registration annually and whenever that label is revised by altering the universal product code or whenever the container on which it appears is changed in size, composition or glass color. The initiator of deposit shall also include as part of the registration ~~the method of collection for that type of container,~~ identification of a collection agent, identification of all of the parties to a commingling agreement that applies to the container and proof of the collection agreement. ~~The department may charge a fee for registration and registration renewals under this subsection.~~

A Prior to July 15, 2025, the department may charge a fee for registration and registration renewals under this subsection.

B Beginning July 15, 2025, a commingling group shall ensure that all initiators of deposit participating in the commingling group provide to the cooperative accurate and up-to-date label registration information required by this subsection and that any updates to label registrations are provided to the cooperative at least 30 days prior to introduction for sale in the State. The cooperative shall ensure that accurate and up-to-date information regarding all label registrations is shared with entities using or administering reverse vending machine and account-based bulk processing programs and is made available on its publicly accessible website.

Sec. 13. 38 MRSA §3106, sub-§5, as amended by PL 2019, c 526, §7, is further amended to read

5. ~~Distributor acceptance~~ Acceptance by commingling group. A ~~distributor commingling group or its agent~~ may not refuse to accept from any dealer or redemption center any empty, unbroken and reasonably clean beverage container, ~~whether refillable or nonrefillable,~~ or any beverage container that has been processed through an approved reverse vending machine or account-based bulk processing program that meets the requirements of rules adopted by the department pursuant to this chapter of the kind, size and brand sold by the ~~distributor~~ members of the commingling group or refuse to pay to the dealer or redemption center the refund value of a beverage container as established by section 3103

Sec. 14. 38 MRSA §3106, sub-§5-A is enacted to read

5-A. Cost apportionment; waiver process. A dealer or redemption center may apply for and the department may approve a temporary waiver during which the dealer or redemption center may apportion beverage container costs to distributors using an alternative method that does not require processing of all beverage containers through a reverse vending machine or similar technology requiring the scanning of each container.

A Prior to approving a temporary waiver under this subsection, the department shall establish procedures regarding the administration of the temporary waiver process. In establishing those procedures, the department shall solicit and consider input from interested persons. The procedures must require that, prior to approving any submitted application from a dealer or redemption center for a temporary waiver, the department solicit input from interested persons regarding the application.

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1 B The department may approve a temporary waiver upon a finding that the dealer or
2 redemption center has demonstrated to the department's satisfaction that it will
3 implement an alternative method of apportioning beverage container costs to
4 distributors that

5 (1) Uses a beverage container count method based on a statistically valid sample
6 of beverage containers that is at least as accurate as the beverage container count
7 method currently used by the dealer or redemption center,

8 (2) Apportions beverage container costs to distributors using the beverage
9 container count method described in subparagraph (1) by approximating the costs
10 currently apportioned to distributors by the dealer or redemption center in a manner
11 that is at least as accurate as that used under the auditing process described in
12 section 3109, subsection 5-B, and

13 (3) Implements a process by which the dealer or redemption center will return to
14 a distributor an amount of beverage containers by weight that corresponds to the
15 amount of the beverage container costs apportioned to the distributor in accordance
16 with subparagraph (2)

17 C A temporary waiver approved by the department may not exceed one year in
18 duration Prior to the expiration of an approved waiver, the dealer or redemption center
19 may apply to the department for an extension of the waiver The department may
20 approve the waiver for a period not to exceed one additional year in duration upon a
21 finding that the dealer or redemption center has submitted sufficient information to the
22 department to demonstrate that the alternative apportionment method implemented
23 during the previous waiver period satisfies the requirements of paragraph B

24 D A distributor that had beverage container costs apportioned to it by a dealer or
25 redemption center using an alternative apportionment method under a waiver approved
26 pursuant to this section may apply to the department for reimbursement of beverage
27 container costs or other financial losses incurred as a direct result of the alternative
28 apportionment method if the distributor can demonstrate to the department's
29 satisfaction that the distributor

30 (1) Would have been paid additional beverage container costs if the distributor's
31 beverage containers were processed through a reverse vending machine or similar
32 technology that scanned each container, or

33 (2) Otherwise suffered a financial loss as a direct result of the alternative
34 apportionment method implemented under the waiver

35 A distributor must submit a request for reimbursement under this paragraph prior to
36 December 31, 2025 If the department determines that a distributor is eligible for
37 reimbursement under this paragraph, the department shall reimburse the distributor
38 using funds from the Cost and Carbon Efficient Technology Fund established under
39 section 3114-A

40 As used in this subsection, "beverage container costs" means a beverage container's refund
41 value as established by section 3103 and the amount of the reimbursement of handling costs
42 as established by subsection 7

43 On or before February 15, 2025, the department shall submit a report to the joint standing
44 committee of the Legislature having jurisdiction over environment and natural resources

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1 matters describing its findings or recommendations regarding the implementation of the
2 temporary waiver process under this subsection The report may be included in the report
3 required pursuant to section 3115, subsection 3 that is required by February 15, 2025 After
4 reviewing the report, the committee may report out legislation relating to the report

5 This subsection is repealed January 1, 2026

6 **Sec. 15. 38 MRSA §3106, sub-§6**, as amended by PL 2019, c 526, §7, is further
7 amended to read

8 **6. Obligation to preserve recycling container value.** Notwithstanding subsection &
9 ~~8-A~~, a distributor ~~commingling group~~ or its agent may refuse to accept, or pay the refund
10 value and handling costs to a dealer, redemption center or other person for, a beverage
11 container that has been processed by a reverse vending machine or account-based bulk
12 processing program in a way that has, for a nonrefillable beverage container, reduced the
13 recycling value of the container below current market value or, for a refillable beverage
14 container, has damaged the container in a manner that prevents its reuse This subsection
15 may not be interpreted to prohibit a written processing agreement between a ~~distributor~~
16 ~~commingling group~~ and a dealer or redemption center and does not relieve a ~~distributor~~
17 ~~commingling group~~ of its obligation under subsection & ~~8-A~~ to accept empty, unbroken and
18 reasonably clean beverage containers Beginning July 15, 2025, the cooperative, on behalf
19 of its member commingling groups, shall negotiate agreements with dealers and
20 redemption centers regarding processing payments for each beverage container material
21 type The department shall adopt rules to establish the recycling value of beverage
22 containers under this subsection and the rules may authorize the use of a 3rd-party vendor
23 to determine if a beverage container has been processed by a reverse vending machine or
24 account-based bulk processing program in a manner that, for a nonrefillable beverage
25 container, has reduced the recycling value below current market value or, for a refillable
26 beverage container, has damaged the container in a manner that prevents its reuse The
27 rules must outline the method of allocating among the parties involved the payment for
28 3rd-party vendor costs

29 **Sec. 16. 38 MRSA §3106, sub-§8**, as amended by PL 2019, c 315, §19 and c 526,
30 §7, is further amended to read

31 **8. Obligation to pick up and recycle containers.** ~~The~~ Prior to October 15, 2024, the
32 obligation to pick up and recycle beverage containers subject to this chapter is determined
33 as follows

34 A distributor that initiates the deposit under section 3103, subsection 2 or 4 has the
35 obligation to pick up and recycle any empty, unbroken and reasonably clean beverage
36 containers of the particular kind, size and brand sold by the distributor from dealers to
37 whom that distributor has sold those beverages and from licensed redemption centers
38 A distributor that, within this State, sells beverages under a particular label exclusively
39 to one dealer, which dealer offers those labeled beverages for sale at retail exclusively
40 at the dealer's establishment, shall pick up any empty, unbroken and reasonably clean
41 beverage containers of the kind, size and brand sold by the distributor to the dealer only
42 from those licensed redemption centers that are located within 25 miles from the dealer,
43 as measured along public roadways A dealer that manufactures its own beverages for
44 exclusive sale by that dealer at retail has the obligation of a distributor under this
45 section The department may establish by rule, in accordance with the Maine

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1 Administrative Procedure Act, criteria prescribing the manner in which distributors
2 shall fulfill the obligations imposed by this paragraph The rules may establish a
3 minimum number or value of containers below which a distributor is not required to
4 respond to a request to pick up empty containers Any rules adopted under this
5 paragraph must allocate the burdens associated with the handling, storage,
6 transportation and recycling of empty containers to prevent unreasonable financial or
7 other hardship

8 B The initiator of the deposit under section 3103, subsection 3 has the obligation to
9 pick up and recycle any empty, unbroken and reasonably clean beverage containers of
10 the particular kind, size and brand sold by the initiator from dealers to whom a
11 distributor has sold those beverages and from licensed redemption centers The
12 obligation may be fulfilled by the initiator directly or indirectly through a contracted
13 agent

14 C An initiator of the deposit under section 3103, subsection 2, 3 or 4 has the obligation
15 to pick up and recycle any empty, unbroken and reasonably clean beverage containers
16 that are commingled pursuant to a commingling agreement along with any beverage
17 containers that the initiator is otherwise obligated to pick up and recycle pursuant to
18 paragraphs A and B

19 D The initiator of deposit or initiators of deposit who are members of a commingling
20 agreement have the obligation under this subsection to pick up and recycle empty,
21 unbroken and reasonably clean beverage containers of the particular kind, size and
22 brand sold by the initiator from dealers to whom a distributor has sold those beverages
23 and from licensed redemption centers every 15 days The initiator of deposit or
24 initiators of deposit who are members of a commingling agreement have the obligation
25 to make additional pickups when a redemption center has collected 10,000 beverage
26 containers from that initiator of deposit or from the initiators of deposit who are
27 members of a commingling agreement

28 The obligations of the initiator of the deposit under this subsection may be fulfilled by the
29 initiator directly or through a party with which it has entered into a commingling
30 agreement A contracted agent hired to pick up beverage containers for one or more
31 initiators of deposit is deemed to have made a pickup at a redemption center for those
32 initiators of deposit when it picks up beverage containers belonging to those initiators of
33 deposit

34 This subsection is repealed October 15, 2024

35 **Sec. 17. 38 MRSA §3106, sub-§8-A** is enacted to read

36 **8-A. Obligation to pick up and recycle containers. Beginning October 15, 2024, in**
37 **accordance with the requirements of this subsection and the rules adopted pursuant to this**
38 **subsection, a designated pick-up entity has the obligation to ensure the timely pickup and**
39 **recycling of all empty, unbroken and reasonably clean beverage containers subject to the**
40 **requirements of this chapter from dealers and redemption centers, including from any**
41 **locations where an account-based bulk processing program is in operation As used in this**
42 **subsection, "designated pick-up entity" means, prior to July 15, 2025, a commingling group**
43 **or its pick-up agent and, beginning July 15, 2025, the cooperative or its pick-up agent or**
44 **agents**

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1 A Notwithstanding any provision of this subsection to the contrary, prior to July 15,
2 2025, in the case of a designated pick-up entity that is a commingling group, the
3 commingling group's responsibilities under this subsection apply only to those
4 beverage containers from the initiators of deposit that are members of that
5 commingling group.

6 B The department shall adopt rules to implement this subsection. The rules must, at
7 a minimum, establish pickup frequency standards based on the volume of beverage
8 containers collected by each dealer or redemption center, accounting for any
9 irregularities in volume, in a manner that promotes communication between designated
10 pick-up entities and dealers and redemption centers and that increases transportation
11 efficiency while maintaining the level of service provided to dealers and redemption
12 centers such that dealers and redemption centers are not required to store collected
13 beverage containers for extended periods of time without contact from and
14 compensation provided by the designated pick-up entity. Rules adopted pursuant to
15 this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter
16 2-A.

17 **Sec. 18. 38 MRSA §3106, sub-§9,** as amended by PL 2019, c 526, §7, is further
18 amended to read

19 **9. Plastic bags.** ~~A dealer or redemption center has an obligation to pick up plastic~~
20 ~~bags that are used by that dealer or redemption center to contain beverage containers.~~
21 Plastic bags used by a dealer or redemption center and the cost allocation of these bags
22 must conform to rules adopted by the department concerning size and gauge Beginning
23 July 15, 2025, the cooperative shall provide to the dealer or redemption center, or reimburse
24 the dealer or redemption center for the cost of, the plastic bags used by the dealer or
25 redemption center to contain redeemed beverage containers.

26 Amend the bill in section 20 in the first indented paragraph in the 4th line (page 6, line
27 35 in L D) by striking out the following "April" and inserting the following 'October'

28 Amend the bill in section 20 in the first indented paragraph in the 6th line (page 6, line
29 37 in L D) by striking out the following "April" and inserting the following 'October'

30 Amend the bill in section 22 in the indented paragraph in the 5th line (page 7, line 14
31 in L D) by inserting after the following "agreement" the following 'as described in
32 subsection 1-A'

33 Amend the bill by striking out all of section 23 and inserting the following

34 '**Sec. 23. 38 MRSA §3107, sub-§1,** as enacted by PL 2015, c 166, §14, is amended
35 to read

36 **1. Commingling requirement.** If initiators of deposit enter into a commingling
37 agreement pursuant to this section, commingling of beverage containers must be by all
38 containers of like product group, material and size. An initiator of deposit required pursuant
39 to section 3106, subsection 8 or 8-A to pick up beverage containers subject to a
40 commingling agreement also shall pick up all other beverage containers subject to the same
41 agreement. The initiator of deposit may not require beverage containers that are subject to
42 a commingling agreement to be sorted separately by a dealer or redemption center.'

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1 Amend the bill in section 24 in subsection 1-A by striking out all of the first blocked
2 paragraph (page 7, line 33 in L D)

3 Amend the bill by striking out all of section 25 and inserting the following

4 'Sec. 25. 38 MRSA §3107, sub-§1-B is enacted to read

5 1-B. Special commingling agreements. A designated pick-up agent for initiators of
6 deposit that are not members of a commingling group and that cannot in the aggregate
7 satisfy the requirements for a qualified commingling agreement under subsection 1-A,
8 paragraph A shall execute and submit a special commingling agreement to the department
9 for approval Notwithstanding any provision of this section to the contrary, the department
10 may approve a special commingling agreement that, in accordance with applicable
11 requirements of this section, provides for the commingling by dealers and redemption
12 centers of the beverage containers for which those initiators have initiated deposits

13 A Once approved, the designated pick-up agent shall permit any initiator of deposit
14 that is not a member of a commingling group to become a party to the special
15 commingling agreement

16 B The department may approve up to 2 special commingling agreements pursuant to
17 this subsection and shall adopt rules governing approval and administration of special
18 commingling agreements, which must include, but are not limited to, rules regarding
19 the administration of the agreement, data and reporting requirements for initiators that
20 are parties to the agreement, beverage container sorting and auditing requirements,
21 statewide assessment requirements for the pick-up agent to ensure geographical
22 coverage and the process for addressing container count discrepancies and return of
23 containers not covered by the agreement Rules adopted pursuant to this paragraph are
24 routine technical rules as defined in Title 5, chapter 375, subchapter 2-A '

25 Amend the bill by striking out all of sections 27 to 29 and inserting the following

26 'Sec. 27. 38 MRSA §3107, sub-§3-B is enacted to read

27 3-B. Commingling program operated by commingling cooperative. Subject to the
28 requirements of this subsection and notwithstanding any provision of this chapter to the
29 contrary, by October 15, 2024, all commingling groups established pursuant to subsection
30 1-A and 1-B, including the State, through the Department of Administrative and Financial
31 Services, Bureau of Alcoholic Beverages and Lottery Operations, shall collectively
32 establish a commingling cooperative to provide for the management of all beverage
33 containers subject to the requirements of this chapter under a single commingling program,
34 referred to in this subsection as "the program "

35 A The cooperative must be established as a nonprofit organization exempt from
36 taxation under the United States Internal Revenue Code of 1986, Section 501(c)(3)
37 The cooperative must be governed by a board of not less than 9 and not more than 15
38 members that represents the range of beverages and beverage container material types
39 subject to the requirements of this chapter and that includes a board member
40 representing each commingling group The board shall convene an advisory group that
41 includes as members representatives of the range of beverages and beverage container
42 material types subject to the requirements of this chapter as well as representatives of
43 dealers, pick-up agents, recycling facilities, redemption centers that primarily sort
44 containers manually, redemption centers that primarily sort containers using reverse

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1 vending machines, entities operating account-based bulk processing programs and
2 environmental advocacy organizations. The board shall invite representatives of the
3 department to participate in and provide input regarding the activities of the advisory
4 group.

5 B. By January 15, 2025, the cooperative shall submit a plan for the operation of the
6 program to the department for review and approval. The plan must include, but is not
7 limited to:

8 (1) The method by which the program will facilitate the transition from beverage
9 container sorting at redemption centers by brand to sorting by material type and,
10 for redemption centers that manually sort containers, by size within each material
11 type. The program may facilitate the negotiation of agreements with redemption
12 centers to gather brand data through use of reverse vending machines, account-
13 based bulk processing programs or similar technology as long as the cost of such
14 data collection is paid by the program.

15 (2) Standards to provide for fair apportionment of costs among the commingling
16 groups and initiators of deposit included in the program, which may be based on:

17 (a) The combined beverage container sales by the initiators of deposit that are
18 members of each commingling group.

19 (b) The unit or brand counts generated by reverse vending machines or
20 account-based bulk processing programs as long as the reverse vending
21 machines or account-based bulk processing programs are subject to periodic
22 3rd-party audits on a schedule approved by the department and with the costs
23 of those audits paid by the program, and

24 (c) The rates of redemption, as determined pursuant to the method set forth in
25 subparagraph (3) and in accordance with the requirements of subparagraph (5).

26 (3) A method for determining the rate of redemption for beverage containers,
27 which must be verified through a 3rd-party audit paid for by the cooperative,
28 expressed as a percentage of the beverage containers redeemed that are available
29 for redemption, the rate of redemption by beverage type and by beverage container
30 material type, and, to the maximum extent practicable, regional redemption rates
31 in the State. The method for determining the redemption rate may not include in
32 its calculation any unredeemed beverage containers collected or processed by
33 municipal or other recycling programs. The program must ensure that a single
34 redemption rate, determined by the method specified in the plan, is used by all
35 commingling groups and initiators of deposit to determine cost apportionment
36 pursuant to subparagraph (2).

37 (4) A budget for the program that includes, but is not limited to, identification of
38 any start-up costs for the program that will not be ongoing, including, but not
39 limited to, the costs of the study described in paragraph F, and a description of the
40 method by which the cooperative will determine and collect payments from
41 commingling groups to cover the program's start-up costs.

42 (5) The method by which the cooperative will collect deposits from initiators of
43 deposit for nonrefillable beverage containers and handling fees for redeemed
44 containers, whether directly from the initiator of deposit or through the

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commingling group of which the initiator of deposit is a member. The program must ensure that an initiator of deposit is not required to pay any handling fees for its beverage containers that exceeds the applicable redemption rate for those containers as calculated pursuant to subparagraph (3).

(6) A description of how the cooperative intends to segregate, maintain, calculate and expend unclaimed beverage container deposits in accordance with section 3108-A.

(7) A description of how the cooperative will provide a consistent beverage container pick-up schedule for each redemption center in accordance with the pick-up requirements of section 3106, subsection 8-A and the rules adopted pursuant to that subsection. The program must ensure that pick-up schedules are designed to reduce transportation distances and minimize costs but must allow each commingling group to provide for beverage container pickup of the commingling group's equivalent container material.

(8) Information on how the cooperative will be responsible for and ensure payment to a dealer or redemption center within 10 calendar days of any beverage container pickup of all applicable deposits and handling fees for the beverage containers picked up from the dealer or redemption center, except as otherwise provided under a written agreement entered into by the cooperative or a member commingling group and the dealer or redemption center, and the applicable costs of plastic bags provided to the dealer or redemption center in accordance with section 3106, subsection 9.

(9) Information on how the cooperative will ensure that each commingling group and each initiator of deposit that is a member of the commingling group maintains ownership over the commingling group's and initiator of deposit's share of the beverage containers redeemed, collected and processed for recycling under the program.

(10) Information on how the cooperative will calculate the base rates offered for the processing of beverage containers using an account-based bulk processing program or pick-up agents.

(11) A certification that the cooperative will not share, except with the department as necessary, information provided by a commingling group or initiator of deposit that is proprietary information and that is identified by the commingling group or initiator of deposit as proprietary information. The certification must include a description of the methods by which the cooperative intends to ensure the confidentiality of that information.

(12) Information on how the cooperative will maintain a publicly accessible website regarding the program that includes, at a minimum, the following

(a) A searchable list of all initiators of deposit and beverage container label registrations, including for beverages sold directly to consumers in the State, in a manner that allows redemption centers, dealers and consumers to obtain up-to-date information regarding whether a particular beverage is authorized for sale and redemption in the State.

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- 1 (b) A search function through which consumers can identify nearby dealers or
- 2 redemption centers offering redemption services based on information made
- 3 available to the cooperative by the department, and
- 4 (c) The base rates for the processing of beverage containers by container type
- 5 as determined in accordance with subparagraph (10),
- 6 (13) A proposed timeline for implementation of the program plan, if approved,
- 7 designed to ensure implementation of the plan on or before July 15, 2025 and a
- 8 description of how the cooperative will notify commingling groups, initiators of
- 9 deposit, dealers, distributors, pick-up agents and other affected entities regarding
- 10 program implementation, which must include, but is not limited to, posting of
- 11 information relating to program implementation on the website described in
- 12 subparagraph (12),
- 13 (14) A description of how the cooperative will support the development of
- 14 infrastructure throughout the State for the collection and sanitization of refillable
- 15 beverage containers and for the return of those refillable beverage containers to
- 16 initiators of deposit of refillable beverage containers for refilling and sale That
- 17 infrastructure development may involve redemption centers, centralized washing
- 18 and sanitization facilities and other methods,
- 19 (15) Information regarding the advisory group formed by the board in accordance
- 20 with paragraph A, including, but not limited to, its membership and the length of
- 21 the terms of its members, a proposed meeting schedule and a description of the role
- 22 and responsibilities of the advisory group, which may include, but are not limited
- 23 to, advising the board regarding the development of the plan submitted under this
- 24 paragraph,
- 25 (16) A description of how the cooperative will operate the program in a manner
- 26 designed to achieve an overall statewide redemption rate for all beverage
- 27 containers subject to the requirements of this chapter, as determined in accordance
- 28 with subparagraph (3), of 75% by January 1, 2027, of 80% by January 1, 2032, and
- 29 of 85% by January 1, 2037, and
- 30 (17) Any other information required by the department
- 31 C. Within 120 days of receipt of a plan submitted by the cooperative under paragraph
- 32 B, the department shall review the plan and approve the plan, approve the plan with
- 33 conditions or reject the plan Prior to determining whether to approve or reject a plan,
- 34 the department shall hold a public hearing on the plan The department shall notify the
- 35 cooperative in writing of its determination and, if the plan is approved with conditions
- 36 or rejected, shall include in the notification a description of the basis for the conditions
- 37 or rejection
- 38 (1) If the cooperative's plan is rejected, it may submit a revised plan to the
- 39 department within 60 days of receiving the notice of rejection The department
- 40 may approve the revised plan as submitted or approve the revised plan subject to
- 41 the implementation of specific changes required by the department
- 42 (2) If the cooperative's plan is approved in accordance with this paragraph, the
- 43 cooperative shall implement the plan on or before July 15, 2025 in accordance with
- 44 the timeline for implementation described in paragraph B, subparagraph (13),

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1 subject to any changes or conditions imposed by the department. If the cooperative
2 fails to implement an approved plan on or before July 15, 2025, the initiators of
3 deposit that are members of each of the commingling groups included in the
4 cooperative are deemed to be in violation of this chapter and are subject to penalties
5 pursuant to section 3111.

6 D. If the department determines that the program implemented by the cooperative
7 pursuant to a plan approved under paragraph C has failed to make adequate progress
8 toward fulfilling the requirements of the plan, excluding the redemption rate goals
9 described in paragraph B, subparagraph (16), the department shall notify the
10 cooperative in writing of its determination and may direct the cooperative to implement
11 specific changes to the program within 30 days of the date of the notification.

12 E. On or before April 1, 2026, and annually thereafter, the cooperative shall submit to
13 the department and make available on its publicly accessible website a report that
14 includes, but is not limited to:

15 (1) Contact information for the cooperative and a list of all initiators of deposit
16 and beverage container label registrations, including for beverages sold directly to
17 consumers in the State.

18 (2) Information on the rates of redemption for beverage containers calculated in
19 accordance with plan requirements under paragraph B, subparagraph (3). The
20 report must include information regarding the total number of beverage containers
21 subject to the requirements of this chapter sold or distributed in the State during
22 the previous calendar year by the members of each commingling group, aggregated
23 within each commingling group to provide only a total, aggregated number for
24 each commingling group. If the calculated overall statewide redemption rate for
25 beverage containers is less than the applicable redemption rate goal described in
26 paragraph B, subparagraph (16), the report must include recommendations for
27 changes to the operation of the program that are designed to achieve the required
28 rate, which may include, but are not limited to, recommended increases in the
29 deposit and refund value for beverage containers.

30 (3) Detailed information on the calculation and expenditure of unclaimed deposit
31 funds in the previous calendar year in accordance with section 3108-A.

32 (4) A description of the education and outreach efforts implemented under the
33 program in the previous calendar year to encourage participation in the beverage
34 container redemption program, reduce instances of fraud in redemption and
35 educate businesses and consumers on the value and safety of refillable beverage
36 containers. The report must include the results of an assessment, completed by an
37 independent 3rd party, of the effectiveness of the efforts.

38 (5) Any recommendations for changes to the program to improve the convenience
39 of the collection system under the program, consumer education or program
40 evaluation and any goals for supporting the use of refillable and reusable
41 containers.

42 (6) A financial report on the program, as determined through a 3rd-party financial
43 audit, that identifies the total cost of implementing the program and the specific
44 administration, collection, transportation, disposition and communication costs for

COMMITTEE AMENDMENT

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1 the program, including all costs associated with payment of handling fees, and an
2 anticipated budget for the subsequent program year, and

3 (7) Any other information required by the department

4 For the report due April 1, 2026 only, the department may modify or waive any of the
5 reporting requirements set forth in this paragraph upon a finding that the information
6 required cannot feasibly be determined or provided by the cooperative due to a partial-
7 year operation of the program

8 F Within 90 days of receiving approval of a program plan from the department under
9 paragraph C, the cooperative, in consultation with the department, shall contract with
10 an independent 3rd party to conduct a study examining operating costs for redemption
11 centers of a variety of sizes, in a variety of geographical locations and using a variety
12 of redemption technologies, analyzing the effects that eliminating brand sorting of
13 beverage containers may have on transportation costs and redemption center operating
14 costs, including, but not limited to, labor and utilities costs, recommending a handling
15 fee schedule and payment schedule designed to facilitate a stable and sustainable
16 redemption system, and recommending other recycling-related services that may be
17 provided at redemption centers to support statewide recycling efforts and diversify the
18 redemption center business model

19 (1) In consultation with the department, the cooperative shall ensure that the study
20 contract specifies the scope of the study and provides for publication of an interim
21 progress report or reports and a final report All costs associated with the study
22 must be paid by the cooperative

23 (2) The cooperative shall provide any interim progress reports and the final report
24 under subparagraph (1) to the department and, after receipt of the final report, the
25 department shall provide a copy of the final report, along with any additional
26 comments or recommendations of the department, to the joint standing committee
27 of the Legislature having jurisdiction over environment and natural resources
28 matters The final report and any additional comments or recommendations of the
29 department may be included in the report required pursuant to section 3115,
30 subsection 3 After reviewing the final report and the department's additional
31 comments or recommendations, if any, the committee may report out legislation
32 relating to the final report or to the department's comments or recommendations

33 G The cooperative shall pay to the department a reasonable annual fee established by
34 the department, not to exceed \$600,000, as provided in this paragraph

35 (1) On or before July 15, 2025, the cooperative shall pay to the department the
36 annual fee under this paragraph to cover the department's costs for review of the
37 program plan submitted by the cooperative pursuant to paragraph B and the
38 department's costs prior to program plan implementation in its oversight of the
39 development and implementation of the commingling program under this
40 subsection The department may require the cooperative to pay a portion of the fee
41 required under this subparagraph at the time the cooperative submits a program
42 plan for review and approval pursuant to paragraph B to cover the department's
43 cost for review of the program plan

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1 (2) On or before April 1, 2026, and annually thereafter, the cooperative shall pay
2 to the department the annual fee under this paragraph to cover the department's
3 costs for review of the cooperative's annual report under paragraph E and the
4 department's costs in the previous calendar year for its oversight, administration
5 and enforcement of the commingling program implemented under this subsection
6 The cooperative shall pay the fee required pursuant to this subparagraph at the time
7 it submits the annual report required pursuant to paragraph E

8 H Reports submitted to the department under this subsection must be made available
9 to the public on the department's publicly accessible website, except that proprietary
10 information submitted to the department in a plan, in an amendment to a plan or
11 pursuant to reporting requirements of this subsection that is identified by the submitter
12 as proprietary information is confidential and must be handled by the department in the
13 same manner as confidential information is handled under section 1310-B

14 I Beginning July 15, 2025, an initiator of deposit that is not in compliance with all
15 applicable requirements of the single commingling program implemented pursuant to
16 this subsection

17 (1) Commits a violation of this chapter and is subject to penalties pursuant to
18 section 3111, and

19 (2) Is prohibited from selling or distributing in the State any beverage container
20 subject to the requirements of this chapter as long as the violation exists A
21 distributor or dealer may not sell or distribute in the State any such containers of
22 the initiator of deposit, and the department may remove from sale any such
23 containers of the initiator of deposit

24 The department may adopt rules as necessary for the implementation of this subsection and
25 the oversight of the cooperative and the single commingling program implemented
26 pursuant to this subsection Rules adopted pursuant to this subsection are routine technical
27 rules as defined in Title 5, chapter 375, subchapter 2-A '

28 Amend the bill by striking out all of section 31 and inserting the following

29 'Sec. 31. 38 MRSA §3108-A is enacted to read

30 **§3108-A. Unclaimed deposits**

31 This section governs unclaimed beverage container deposits

32 1. **Commingling group; unclaimed deposits.** Prior to July 15, 2025, unclaimed
33 deposits for nonrefillable beverage containers that are subject to a commingling agreement
34 pursuant to section 3107, subsection 1-A or 1-B are the property of the members of the
35 commingling group administering the agreement The commingling group shall determine
36 the disposition and use of those unclaimed deposits

37 2. **Commingling cooperative; unclaimed deposits.** Except as provided in paragraph
38 D, beginning July 15, 2025, unclaimed deposits for nonrefillable beverage containers
39 subject to the requirements of this chapter are the property of the cooperative and, in
40 accordance with rules adopted by the department pursuant to subsection 3, must be
41 deposited and maintained by the cooperative in a separate account or accounts and
42 expended only in accordance with this subsection

COMMITTEE AMENDMENT

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COMMITTEE AMENDMENT "A" to H P 1225, L D 1909

- 1 A The cooperative shall expend unclaimed deposit amounts as provided in paragraphs
2 B and C and may not expend unclaimed deposit amounts to offset legal or lobbying
3 fees or fines incurred by the cooperative, a commingling group or an initiator of
4 deposit
- 5 B The cooperative shall expend unclaimed deposit amounts for the following
6 purposes
- 7 (1) Payment of the annual fee to the department as provided in section 3107,
8 subsection 3-B, paragraph G,
- 9 (2) Reasonable costs of administering the program under section 3107, subsection
10 3-B, including, but not limited to, staffing costs and office operating costs,
- 11 (3) Costs of educational materials and signage provided to dealers and redemption
12 centers regarding redemption instructions and other information, including
13 information regarding the fraudulent redemption of beverage containers in
14 accordance with section 3106, subsection 10,
- 15 (4) Reimbursement to dealers and redemption centers of the costs of plastic bags
16 pursuant to section 3106, subsection 9, and
- 17 (5) Payment of \$1,000,000 annually to the department for deposit into and use in
18 accordance with the Cost and Carbon Efficient Technology Fund established in
19 section 3114-A.
- 20 The cooperative shall include in its annual report required under section 3107,
21 subsection 3-B, paragraph E any recommendations for a reduction in or other
22 amendment to the payment required under this subparagraph that the cooperative
23 believes necessary due to a reduction in the amount of unclaimed deposits available
24 for expenditure in accordance with paragraph C, a surplus of undistributed funding
25 within the Cost and Carbon Efficient Technology Fund established in section
26 3114-A or for other reasons specified by the cooperative
- 27 C Any deposits determined by the cooperative to be unclaimed in accordance with
28 the rules adopted by the department pursuant to subsection 3 that are not expended by
29 the cooperative as otherwise required by this section may be expended by the
30 cooperative to offset other costs incurred by the program, including, but not limited to,
31 costs of beverage container pickups and payment to dealers or redemption centers of
32 required handling fees under section 3106, subsection 7, as long as such expenditures
33 are designed to equitably offset those costs incurred by each member commingling
34 group as determined pursuant to the approved program plan under section 3107,
35 subsection 3-B, paragraph B, subparagraph (2)
- 36 D Notwithstanding any provision of this section to the contrary, if the cooperative
37 fails to implement a program plan approved by the department pursuant to section
38 3107, subsection 3-B, paragraph C by July 15, 2025, until the cooperative implements
39 an approved program plan, unclaimed deposits for nonrefillable beverage containers
40 subject to the requirements of this chapter must be deposited and maintained by the
41 cooperative, or, in the event the cooperative has not been established, by each
42 commingling group, in a separate account or accounts and in the manner directed by
43 the department must be paid to the department for deposit into and use in accordance
44 with the Beverage Container Enforcement Fund established under section 3114

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1 3. Rules. The department shall adopt rules as necessary to implement this section
2 Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5,
3 chapter 375, subchapter 2-A. The rules must include, but are not limited to

4 A Provisions requiring the deposit by the cooperative into and the maintenance by the
5 cooperative of a segregated account or accounts, separate from all other revenues, of
6 the refund value for all nonrefillable beverage containers subject to the requirements
7 of this chapter and sold by the members of the cooperative,

8 B Provisions regarding the method and process by which the cooperative shall
9 calculate the total amount of deposits determined to be unclaimed during the previous
10 calendar year and the total amount of those deposits expended by the cooperative in
11 accordance with this section during the previous calendar year, and

12 C Any other provisions relating to the accounting for, determination of or expenditure
13 of unclaimed deposits by the cooperative pursuant to this section'

14 Amend the bill in section 33 in subsection 5-B in paragraph B in the first line (page 16,
15 line 8 in L D) by inserting after the following "department" the following 'a
16 commingling group or, beginning July 15, 2025, the cooperative'

17 Amend the bill in section 33 in subsection 5-B in paragraph B in subparagraph (1) in
18 the first line (page 16, line 10 in L D) by inserting after the following "department" the
19 following 'a commingling group or, beginning July 15, 2025, the cooperative'

20 Amend the bill in section 33 in subsection 5-B in paragraph B in subparagraph (3) in
21 the 3rd line (page 16, line 19 in L D) by inserting after the following "department" the
22 following 'a commingling group or, beginning July 15, 2025, the cooperative'

23 Amend the bill by striking out all of section 34 and inserting the following

24 'Sec. 34. 38 MRSA §3111, sub-§3, as enacted by PL 2015, c 166, §14, is repealed
25 and the following enacted in its place

26 3. Container pickup. Notwithstanding subsection 1, a person who knowingly violates
27 a provision of section 3106, subsection 8-A or the rules adopted pursuant to section 3106,
28 subsection 8-A

29 A As a first offense, must receive a written warning from the department but does not
30 commit a civil violation, and

31 B As a second offense and any subsequent offenses, commits a civil violation for
32 which a fine of \$1,000 may be adjudged

33 Notwithstanding any provision of this subsection to the contrary, the department may
34 exercise enforcement discretion in the event of unforeseen circumstances causing a
35 violation of a provision of section 3106, subsection 8-A or the rules adopted pursuant to
36 section 3106, subsection 8-A, including, but not limited to, extreme weather conditions and
37 inability to provide for pickup due to a significant number of illness-related employee
38 absences

39 Sec. 35. 38 MRSA §3113, first ¶, as enacted by PL 2015, c 166, §14, is amended
40 to read

41 A license issued annually by the department is required before any person may initiate
42 deposits under section 3103, operate a redemption center under section 3109 or act as a

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1 contracted agent for the collection of beverage containers under section 3106, subsection
2 8, ~~paragraph B or 8-A~~

3 **Sec. 36. 38 MRSA §3113, sub-§2**, as amended by PL 2019, c 526, §10, is further
4 amended to read

5 **2. Redemption center licensing criteria.** ~~In licensing redemption centers, the~~
6 ~~department shall consider at least the following~~ The department shall adopt rules
7 establishing the minimum licensing criteria for approval of redemption center licenses The
8 rules must include, but are not limited to, provisions regarding

9 A The health and safety of the public and of redemption center employees, including
10 sanitation protection when food is also sold on the premises,

11 B The convenience for the public, including the distribution of centers by population
12 or by distance, or both,

13 C The proximity of the a proposed redemption center to existing redemption centers
14 and the potential impact that the location of the a proposed redemption center may have
15 on an existing redemption center,

16 D The proposed owner's record of compliance with this chapter and rules adopted by
17 the department pursuant to this chapter of a proposed owner of a redemption center,
18 and

19 E The hours of operation of the a proposed redemption center and existing redemption
20 centers in the proximity of the a proposed redemption center,

21 F The size of a proposed redemption center, including the specific areas for customer
22 drop-off and beverage container storage, and

23 G Access to a proposed redemption center for customers and pick-up agents, including
24 vehicle and pedestrian access and loading and unloading zones

25 Rules adopted by the department pursuant to this subsection are routine technical rules as
26 defined in Title 5, chapter 375, subchapter 2-A

27 **Sec. 37. 38 MRSA §3113, sub-§5** is enacted to read

28 **5. Convenience standard.** On or after July 15, 2025, the department shall adopt rules
29 establishing requirements for the implementation by the cooperative of an efficient
30 beverage container collection system of redemption centers that is adequate to serve the
31 needs of consumers in both rural and urban areas throughout the State Rules adopted
32 pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375,
33 subchapter 2-A

34 A The beverage container collection system to be implemented must be designed to
35 provide a geographical distribution of redemption locations and of redemption options
36 for consumers, including, but not limited to, manual sorting, reverse vending machines,
37 bag drop programs and account-based bulk processing programs, including those
38 options that provide for immediate payment of the refund value to a consumer as well
39 as those that provide payment of the refund value within a specified period of time
40 following beverage container drop-off

41 B In establishing requirements for the beverage container collection system to be
42 implemented, the department shall consider geographical limitations, population

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1 densities and reasonable days and hours of operation for redemption centers and may
2 consider options for expanding redemption opportunities for consumers at locations
3 other than redemption centers, including, but not limited to, at dealers and transfer
4 stations '

5 Amend the bill in section 35 in subsection 2 in paragraph B in the last line (page 17,
6 line 3 in L D) by striking out the following "January" and inserting the following 'July'

7 Amend the bill by striking out all of sections 36 to 38 and inserting the following
8 'Sec. 36. 38 MRSA §3114, sub-§3, as enacted by PL 2015, c 166, §14, is amended
9 to read

10 **3. Application of fund.** The department may combine administration and inspection
11 responsibilities of other programs it administers with administration and enforcement
12 responsibilities under this chapter for efficiency purposes, ~~however, except that~~ money in
13 the fund may be used to fund only the portion of staff time devoted to administration and
14 enforcement activities under this chapter as well as for any other activities or purposes
15 related to the administration and enforcement of this chapter or otherwise consistent with
16 the intent of section 3101

17 **Sec. 37. 38 MRSA §3114-A** is enacted to read

18 **§3114-A. Cost and Carbon Efficient Technology Fund**

19 **1. Creation.** The Cost and Carbon Efficient Technology Fund, referred to in this
20 section as "the fund," is created under the jurisdiction and control of the department

21 **2. Sources of money.** The fund consists of the following

22 A The annual payment from the cooperative required by section 3108-A, subsection
23 2, paragraph B, subparagraph (5), and

24 B All other money appropriated or allocated for inclusion in the fund, including
25 money from any other public or private sources

26 **3. Application of fund.** Money in the fund must be used by the department to provide
27 grants to persons to lease or purchase technology designed to improve operational
28 efficiency and reduce greenhouse gas emissions from trucking or to support activities
29 designed to increase the use of reusable and refillable beverage containers and other
30 reusable and refillable packaging in the State

31 A The lease or purchase of technology designed to improve operational efficiency
32 and reduce greenhouse gas emissions from trucking using a grant from the fund is
33 limited to automated beverage container counting, compacting and sorting systems
34 capable of validating the count of beverage containers processed and compacting and
35 sorting processed containers in preparation for pickup, including, but not limited to,
36 reverse vending machines as well as activities associated with the installation of that
37 technology, including, but not limited to, electrical system upgrades, building or
38 infrastructure modifications and Internet connection to a central system administrator
39 as necessary

40 B Activities designed to increase the use of reusable and refillable beverage containers
41 and other reusable and refillable packaging in the State using a grant from the fund are
42 limited to

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1 (1) Activities relating to the development and implementation of, including the
2 purchase of necessary materials and supplies for, pilot projects to determine
3 options for financially viable models for refillable beverage container washing
4 techniques, including, but not limited to, mobile washing stations, shipment of
5 containers to washing facilities outside the State, in-house washing stations and
6 establishment of a fixed washing facility in the State.

7 (2) Development of or other activities relating to container, adhesive and label
8 options for refillable beverage containers capable of being used by manufacturers
9 of different types of beverages, and

10 (3) Outreach and education activities for manufacturers, retailers, restaurants and
11 consumers regarding the financial and environmental benefits of refillable
12 beverage containers and regarding the processes and methods available for
13 ensuring such containers may be safely reused.

14 C Notwithstanding any provision of this section to the contrary, using money from
15 the fund, the department shall contract with a 3rd-party entity to complete a study by
16 July 15, 2026 regarding the feasibility of achieving goals of 5% reusable, refillable
17 beverage containers marketed in the State and 10% reusable, refillable beverage
18 containers marketed in the State and to determine the infrastructure and investments
19 that would be necessary to support those goals. The department shall include the results
20 of the feasibility study, along with any additional comments or recommendations from
21 the department, in the report required by section 3115, subsection 3 that is due February
22 15, 2027.

23 D Notwithstanding any provision of this section to the contrary, using money from
24 the fund, the department shall provide reimbursement of beverage container costs or
25 other financial losses to eligible distributors in accordance with section 3106,
26 subsection 5-A, paragraph D.

27 This paragraph is repealed January 1, 2026.

28 E A grant issued by the department from the fund must cover at least 25% of the
29 anticipated cost of the technology leased or purchased or activities supported as
30 identified in the grant application.

31 F The department shall administer the fund and, after consultation with the
32 cooperative and its advisory group established pursuant to section 3107, subsection
33 3-B, paragraph A, shall establish the application process and procedures for issuance
34 of grants from the fund. The department shall consult with the cooperative and its
35 advisory group in reviewing and approving grant applications submitted under this
36 section.

37 **Sec. 38. 38 MRSA §3115, sub-§1**, as enacted by PL 2015, c 166, §14, is amended
38 by enacting at the end a new first blocked paragraph to read

39 This subsection is repealed July 15, 2025.

40 **Sec. 39. 38 MRSA §3115, sub-§3** is enacted to read

41 **3. Report.** On or before February 15, 2024, and annually thereafter, the department
42 shall report to the joint standing committee of the Legislature having jurisdiction over

COMMITTEE AMENDMENT

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1 environment and natural resources matters on the status of the beverage container
2 redemption program implemented under this chapter

3 A The report must include any recommendations, including draft legislation as
4 necessary, for amendments to this chapter necessary for its administration or to better
5 fulfill the purpose described under section 3101, including, but not limited to,
6 identification of additional department staffing or resource needs to support the
7 administration of this chapter

8 B For the report required by this subsection that is due February 15, 2026, and for
9 each subsequent report, the department shall, at a minimum, include

10 (1) Any recommendations for necessary adjustments to the amount of the handling
11 fee under section 3106, subsection 7, and

12 (2) Information regarding the status of the Cost and Carbon Efficient Technology
13 Fund under section 3114-A, including, but not limited to, information regarding
14 the number and amount of grants issued under that fund, information on the
15 recipients of those grants and the technology or activities that those grants were
16 used to support

17 C In addition to the requirements of paragraph B, for the report required by this
18 subsection that is due February 15, 2027, and for each subsequent report, the
19 department shall, at a minimum, include information annually reported by the
20 cooperative pursuant to section 3107, subsection 3-B, paragraph E, including, but not
21 limited to, information regarding the rates of redemption for beverage containers and
22 the calculated overall statewide redemption rate

23 D After reviewing the report, the committee may report out legislation relating to the
24 report The report under this subsection may be included in the report required pursuant
25 to section 1772, subsection 1

26 **Sec. 40. 38 MRSA §3119**, as enacted by PL 2019, c 526, §14, is amended to read

27 **§3119. Reporting requirements**

28 This section establishes annual reporting requirements for initiators of deposit and for
29 pick-up agents that are not initiators of deposit

30 **1. Initiator of deposit annual report.** Each initiator of deposit shall report annually
31 by March 1st to the department concerning its deposit transactions in the preceding
32 calendar year The report must be in a form prescribed by the department and must include
33 the number of nonrefillable beverage containers sold by the initiator of deposit in the State
34 by container size, by beverage type and by redemption value, delineated at a minimum into
35 wine, spirits and all other beverage types, and must include the number of nonrefillable
36 beverage containers returned to the initiator of deposit by beverage type and by redemption
37 value

38 This subsection is repealed July 15, 2025

39 **2. Pick-up agent annual report.** Each pick-up agent that is not an initiator of deposit
40 shall report annually by March 1st to the department concerning the redemptions for each
41 initiator of deposit it served in the preceding calendar year The report must be in a form
42 prescribed by the department and must include the number of nonrefillable containers
43 returned by the pick-up agent to each initiator of deposit it served by redemption value,

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except that the pick-up agent may report by average weight and total weight of beverage containers returned by material type for containers managed pursuant to a qualified commingling agreement under section 3107

This subsection is repealed July 15, 2025

3. Proprietary information. Proprietary information submitted to the department prior to July 15, 2025 in a report required under this section that is identified by the submitter as proprietary information is confidential and must be handled by the department in the same manner as confidential information is handled under section 1310-B '

Amend the bill in section 39 in the 6th and 7th lines (page 17, lines 24 and 25 in L D) by striking out the following "the special commingling agreement" and inserting the following 'any special commingling agreements'

Amend the bill by inserting after section 39 the following

'Sec. 40. Appropriations and allocations. The following appropriations and allocations are made

ENVIRONMENTAL PROTECTION, DEPARTMENT OF

Administration - Environmental Protection 0251

Initiative Provides funding for technology management costs associated with 3 Environmental Specialist III positions

GENERAL FUND	2023-24	2024-25
All Other	\$8,475	\$8,475
GENERAL FUND TOTAL	<u>\$8,475</u>	<u>\$8,475</u>

Maine Environmental Protection Fund 0421

Initiative Provides one-time funding for 3 Environmental Specialist III positions and associated All Other costs

GENERAL FUND	2023-24	2024-25
POSITIONS - LEGISLATIVE COUNT	3 000	3 000
Personal Services	\$199,573	\$280,938
All Other	\$4,089	\$4,089
GENERAL FUND TOTAL	<u>\$203,662</u>	<u>\$285,027</u>

**ENVIRONMENTAL PROTECTION,
DEPARTMENT OF
DEPARTMENT TOTALS**

	2023-24	2024-25
GENERAL FUND	\$212,137	\$293,502
DEPARTMENT TOTAL - ALL FUNDS	<u>\$212,137</u>	<u>\$293,502</u>

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1 Amend the bill in section 40 in the 6th line (page 17, line 35 in L D) by striking out
2 the following "3106, subsection 8 take effect April" and inserting the following '3111,
3 subsection 3 take effect October'

4 Amend the bill in section 40 in the last 2 lines (page 17, lines 35 and 36 in L D) by
5 striking out the following "Those sections of this Act that repeal Title 38, section 3115,
6 subsection 1 and Title 38, section 3119 take effect January 15, 2025 "

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

9 **SUMMARY**

10 This amendment makes a number of changes to the bill, including the following

11 1 It extends by 6 months the dates in the bill by which all initiators of deposit must
12 enter into a commingling agreement, by which the commingling cooperative must be
13 established, by which the commingling cooperative must submit a plan to the Department
14 of Environmental Protection for the establishment of a single commingling program for
15 management of beverage containers and by which the cooperative must implement an
16 approved program plan

17 2 It amends provisions in the bill regarding the accounting for, maintenance of and
18 expenditure of unclaimed deposits by the commingling cooperative, including by requiring
19 the cooperative to provide to the department \$1,000,000 annually to support the Cost and
20 Carbon Efficient Technology Fund, established in the amendment Money in that fund is
21 to be used to support grants relating to technology upgrades and activities designed to
22 support the development of an infrastructure for the use of refillable beverage containers
23 The amendment also directs the department to adopt rules regarding the accounting for,
24 determination of and expenditure of unclaimed deposits by the cooperative

25 3 It implements a process by which a dealer or redemption center may apply for and
26 the department may approve a temporary waiver during which the dealer or redemption
27 center may apportion beverage container costs to distributors using an alternative method
28 that does not require processing of all beverage containers through a reverse vending
29 machine or similar technology requiring the scanning of each container The
30 implementation of this process must be assessed in a February 15, 2025 report from the
31 department to the joint standing committee of the Legislature having jurisdiction over
32 environment and natural resources matters and the statutory process is repealed December
33 31, 2025

34 4 It removes from the bill provisions relating to the amendment of the statutorily
35 established reimbursement of beverage container handling costs paid by an initiator of
36 deposit to a dealer or redemption center

37 5 It clarifies that the department may approve up to 2 special commingling agreements
38 as provided for in the bill

39 6 It requires the commingling cooperative to operate the single commingling program
40 in a manner designed to achieve an overall statewide beverage container redemption rate
41 of 75% by January 1, 2027, of 80% by January 1, 2032 and of 85% by January 1, 2037

42 7 It increases the annual fee to be paid by the cooperative to the department from a
43 maximum of \$400,000 to a maximum of \$600,000

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COMMITTEE AMENDMENT "A" to H P 1225, L D 1909

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8 It requires the department to adopt rules establishing requirements for the implementation by the cooperative of an efficient beverage container collection system of redemption centers that is adequate to serve the needs of consumers in both rural and urban areas throughout the State

9 It amends annual reporting requirements for the department as established under the bill and makes other technical changes, corrections and clarifications to the bill

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



131st MAINE LEGISLATURE

LD 1909

LR 1418(02)

An Act to Modernize Maine's Beverage Container Redemption Law

Fiscal Note for Bill as Amended by Committee Amendment *A (H-667)*

Committee: Environment and Natural Resources

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$212,137	\$293,502	\$2,808,475	\$2,808,475
Appropriations/Allocations				
General Fund	\$212,137	\$293,502	\$8,475	\$8,475
Other Special Revenue Funds	\$0	\$0	\$1,364,089	\$1,364,089
Revenue				
General Fund	\$0	\$0	(\$2,800,000)	(\$2,800,000)
Other Special Revenue Funds	\$0	\$0	\$1,360,000	\$1,360,000

Fiscal Detail and Notes

This bill requires all initiators of deposit (IOD) to enter into a commingling agreement by July 15, 2025. It also requires that by July 15, 2025 commingling groups collectively establish a single commingling cooperative to manage all beverage containers subject to the beverage container redemption program. The bill repeals the current law that requires any bottle deposits from noncommingling agreement IODs to be remitted to the State as escheat. Instead, it provides that the newly created cooperative will be allowed to retain any unclaimed bottle deposits. The cooperative must make an annual payment of \$1,000,000 from these deposits to the Cost and Carbon Efficient Technology (CCET) Fund established in the bill, along with an annual fee of \$600,000 paid to the Department of Environmental Protection (DEP) to offset its costs of administering the beverage container redemption program.

The DEP has indicated that while the costs of administering the program will eventually be funded by annual fees paid by the cooperative beginning in fiscal year 2025-26, certain provisions of the bill will require the department to undertake activities in fiscal year 2023-24 that require additional staffing and resources. Accordingly, the bill includes one-time General Fund appropriations of \$203,662 in fiscal year 2023-24 and \$285,027 in fiscal year 2024-25 for 3 Environmental Specialist III positions and associated costs. Additional ongoing General Fund appropriations of \$8,475 beginning in fiscal year 2023-24 are included for technology management costs related to the positions.

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It is expected that these positions and associated costs will be funded by the fees paid by the cooperative starting in fiscal year 2025-26. The DEP will require Other Special Revenue Funds allocations of \$302,772 in fiscal year 2025-26 and \$315,764 in fiscal year 2026-27 to authorize these expenditures. The DEP will also require additional allocations of \$61,317 in fiscal year 2025-26 and \$48,325 in fiscal year 2026-27 for outreach and coordination activities and ongoing allocations to the CCET Fund of \$1,000,000 beginning in fiscal year 2025-26 for bottle technology grants.

Provisions of this bill switch the administration of the registration of bottle labels from the DEP to the cooperative. As a result, Other Special Revenue Funds revenue to the department from registrations will decrease by \$240,000 annually starting in fiscal year 2025-26. Since the bill requires all IODs to join the cooperative, there will no longer be unclaimed deposits turned over to the State and General Fund revenue will be reduced by \$2,800,000 annually beginning in fiscal year 2025-26.