



# Senate

General Assembly

**File No. 562**

January Session, 2021

Substitute Senate Bill No. 1037

*Senate, April 21, 2021*

The Committee on Environment reported through SEN. COHEN of the 12th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## **AN ACT CONCERNING SOLID WASTE MANAGEMENT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 22a-243 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2022*):

3 For purposes of sections 22a-243 to 22a-245c, inclusive, as amended  
4 by this act:

5 (1) "Carbonated beverage" means beer or other malt beverages, hard  
6 seltzer, hard cider and mineral waters, soda water and similar  
7 carbonated soft drinks in liquid form and intended for human  
8 consumption;

9 (2) "Noncarbonated beverage" means any noncarbonated liquid  
10 intended for human consumption, including, but not limited to, water,  
11 including flavored water, plant water, nutritionally enhanced water,  
12 juice, juice drink, tea, coffee, kombucha, plant infused drink, spirit or  
13 liquor, sports drink or energy drink and any beverage that is identified  
14 through the use of letters, words or symbols on such beverage's product  
15 label as a type of water, juice, tea, coffee, kombucha, plant infused drink,

16 spirit or liquor, sports drink, energy drink or liquid intended for human  
17 consumption but excluding [juice and] mineral water. "Noncarbonated  
18 beverage" does not include any: (A) Drug regulated under the Federal  
19 Food, Drug and Cosmetic Act, (B) infant formula, (C) dairy beverage, or  
20 (D) meal replacement liquid;

21 (3) "Beverage container" means the individual, separate, sealed glass,  
22 metal or plastic bottle, can, jar or carton containing [a carbonated or  
23 noncarbonated beverage, but does not include a bottle, can, jar or carton  
24 (A)] three liters or [more in size if containing a noncarbonated] less of a  
25 carbonated beverage, [or (B) made of high-density polyethylene] two  
26 and one-half liters or less of a noncarbonated beverage except for a spirit  
27 or liquor, or fifty milliliters or less of a spirit or liquor;

28 (4) "Consumer" means every person who purchases a beverage in a  
29 beverage container for use or consumption;

30 (5) "Dealer" means every person who engages in the sale of beverages  
31 in beverage containers to a consumer;

32 (6) "Distributor" means every person who engages in the sale of  
33 beverages in beverage containers to a dealer in this state including any  
34 manufacturer who engages in such sale and includes a dealer who  
35 engages in the sale of beverages in beverage containers on which no  
36 deposit has been collected prior to retail sale;

37 (7) "Manufacturer" means every person bottling, canning or  
38 otherwise filling beverage containers for sale to distributors or dealers  
39 or, in the case of private label brands, the owner of the private label  
40 trademark;

41 (8) "Place of business of a dealer" means the fixed location at which a  
42 dealer sells or offers for sale beverages in beverage containers to  
43 consumers;

44 (9) "Redemption center" means any facility established to redeem  
45 empty beverage containers from consumers or to collect and sort empty  
46 beverage containers from dealers and to prepare such containers for

47 redemption by the appropriate distributors;

48 (10) "Use or consumption" includes the exercise of any right or power  
49 over a beverage incident to the ownership thereof, other than the sale or  
50 the keeping or retention of a beverage for the purposes of sale;

51 (11) "Nonrefillable beverage container" means a beverage container  
52 which is not designed to be refilled and reused in its original shape;  
53 [and]

54 (12) "Deposit initiator" means the first distributor to collect the  
55 deposit on a beverage container sold to any person within this state; [.]  
56 and

57 (13) "Reverse vending machine" means a mechanical device that  
58 accepts used beverage containers from consumers and provides a  
59 means of refunding the refund value for such beverage container to the  
60 user of such device.

61 Sec. 2. Section 22a-244 of the general statutes is repealed and the  
62 following is substituted in lieu thereof (*Effective January 1, 2022*):

63 (a) (1) Every beverage container containing a carbonated beverage  
64 sold or offered for sale in this state, except for any such beverage  
65 containers sold or offered for sale for consumption on an interstate  
66 passenger carrier, shall have a refund value. Such refund value shall not  
67 be less than [five] ten cents and shall be a uniform amount throughout  
68 the distribution process in this state. (2) Every beverage container  
69 containing a noncarbonated beverage sold or offered for sale in this state  
70 shall have a refund value, except for beverage containers containing a  
71 noncarbonated beverage that are (A) sold or offered for sale for  
72 consumption on an interstate passenger carrier, or (B) that comprise any  
73 dealer's existing inventory as of March 31, 2009. Such refund value shall  
74 not be less than [five] ten cents and shall be a uniform amount  
75 throughout the distribution process in this state.

76 (b) Every beverage container sold or offered for sale in this state, that  
77 has a refund value pursuant to subsection (a) of this section, shall clearly

78 indicate by embossing or by a stamp or by a label or other method  
79 securely affixed to the beverage container (1) either the refund value of  
80 the container or the words "return for deposit" or "return for refund" or  
81 other words as approved by the Department of Energy and  
82 Environmental Protection, and (2) either the word "Connecticut" or the  
83 abbreviation "Ct.", provided this subdivision shall not apply to glass  
84 beverage containers permanently marked or embossed with a brand  
85 name.

86 (c) No person shall sell or offer for sale in this state any metal  
87 beverage container (1) a part of which is designed to be detached in  
88 order to open such container, or (2) that is connected to another  
89 beverage container by a device constructed of a material which does not  
90 decompose by photodegradation, chemical degradation or  
91 biodegradation within a reasonable time after exposure to the elements.

92 (d) On and after January 1, 2022, each beverage container sold or  
93 offered for sale in this state that has a refund value pursuant to  
94 subsection (a) of this section, shall include a Universal Product Code  
95 and barcode. Each deposit initiator shall provide such Universal  
96 Product Code and barcode, with packaging information, to the reverse  
97 vending machine system administrators and other system operators,  
98 not less than thirty days prior to placement of any such beverage  
99 container on the market.

100 Sec. 3. Section 22a-245 of the general statutes is repealed and the  
101 following is substituted in lieu thereof (*Effective July 1, 2021*):

102 (a) No person shall establish a redemption center without registering  
103 with the commissioner on a form provided by the commissioner with  
104 such information as the commissioner deems necessary including (1) the  
105 name of the business principals of the redemption center and the  
106 address of the business; (2) the name and address of the sponsors and  
107 dealers to be served by the redemption center; (3) the types of beverage  
108 containers to be accepted; (4) the hours of operation; and (5) whether  
109 beverage containers will be accepted from consumers. The operator of  
110 the redemption center shall report any change in procedure to the

111 commissioner within forty-eight hours of such change. Any person  
112 establishing a redemption center shall have the right to determine what  
113 kind, size and brand of beverage container shall be accepted. Any  
114 redemption center may be established to serve all persons or to serve  
115 certain specified dealers.

116 (b) A dealer shall not refuse to accept at such dealer's place of  
117 business, from any person any empty beverage containers of the kind,  
118 size and brand sold by the dealer, or refuse to pay to such person the  
119 refund value of a beverage container unless (1) such container contains  
120 materials which are foreign to the normal contents of the container; (2)  
121 such container is not labeled in accordance with subsection (b) of section  
122 22a-244, as amended by this act; (3) such dealer sponsors, solely or with  
123 others, a redemption center which is located within a one-mile radius of  
124 such place of business and which accepts beverage containers of the  
125 kind, size and brand sold by such dealer at such place of business; or (4)  
126 there is established by others, a redemption center which is located  
127 within a one-mile radius of such place of business and which accepts  
128 beverage containers of the kind, size and brand sold by such dealer at  
129 such place of business. A dealer shall redeem an empty container of a  
130 kind, size or brand the sale of which has been discontinued by such  
131 dealer for not less than sixty days after the last sale by the dealer of such  
132 kind, size or brand of beverage container. Sixty days before such date,  
133 the dealer shall post, at the point of sale, notice of the last date on which  
134 the discontinued kind, size or brand of beverage container shall be  
135 redeemed.

136 (c) A distributor shall not refuse to accept from a dealer or from an  
137 operator of a redemption center, located and operated exclusively  
138 within the territory of the distributor or whose operator certifies to the  
139 distributor that redeemed containers were from a dealer located within  
140 such territory, any empty beverage containers of the kind, size and  
141 brand sold by the distributor, or refuse to pay to such dealer or  
142 redemption center operator the refund value of a beverage container  
143 unless such container contains materials which are foreign to the normal  
144 contents of the container or unless such container is not labeled in

145 accordance with subsection (b) of section 22a-244, as amended by this  
146 act. A distributor shall remove any empty beverage container from the  
147 premises of a dealer serviced by the distributor or from the premises of  
148 a redemption center sponsored by dealers serviced by the distributor,  
149 provided such premises are located within the territory of the  
150 distributor. The distributor shall pay the refund value to dealers in  
151 accordance with the schedule for payment by the dealer to the  
152 distributor for full beverage containers and shall pay such refund value  
153 to operators of redemption centers not more than twenty days after  
154 receipt of the empty container. For the purposes of this subsection, a  
155 redemption center shall be considered to be sponsored by a dealer if (1)  
156 the dealer refuses to redeem beverage containers and refers consumers  
157 to the redemption center, or (2) there is an agreement between the dealer  
158 and the operator of the redemption center requiring the redemption  
159 center to remove empty beverage containers from the premises of the  
160 dealer. A distributor shall redeem an empty container of a kind, size or  
161 brand of beverage container the sale of which has been discontinued by  
162 the distributor for not less than one hundred fifty days after the last  
163 delivery of such kind, size or brand of beverage container. Not less than  
164 one hundred twenty days before the last date such containers may be  
165 redeemed, the distributor shall notify such dealer who bought the  
166 discontinued kind, size or brand of beverage container that such  
167 distributor shall not redeem an empty beverage container of such kind,  
168 size or brand of beverage containers.

169 (d) In addition to the refund value of a beverage container, a  
170 distributor shall pay to any dealer or operator of a redemption center a  
171 handling fee of at least [one] three and one-half cents for each beverage  
172 container [of beer or other malt beverage and two cents for each  
173 beverage container of mineral waters, soda water and similar  
174 carbonated soft drinks or noncarbonated beverage] returned for  
175 redemption. A distributor shall not be required to pay to a manufacturer  
176 the refund value of a nonrefillable beverage container.

177 (e) The Commissioner of Energy and Environmental Protection shall  
178 adopt regulations, in accordance with the provisions of chapter 54, to

179 implement the provisions of sections 22a-243 to 22a-245, inclusive, as  
180 amended by this act. Such regulations shall include, but not be limited  
181 to, provisions for the redemption of beverage containers dispensed  
182 through automatic reverse vending machines, the use of vending  
183 machines that [dispense cash to] reimburse consumers for the  
184 redemption value of beverage containers, scheduling for redemption by  
185 dealers and distributors and for exemptions or modifications to the  
186 labeling requirement of section 22a-244, as amended by this act.

187 (f) For the purposes of this section, "refund value" means the refund  
188 value established by subsection (a) of section 22a-244, as amended by  
189 this act.

190 Sec. 4. Section 22a-245a of the general statutes is repealed and the  
191 following is substituted in lieu thereof (*Effective July 1, 2021*):

192 (a) Each deposit initiator shall open a special interest-bearing account  
193 at a Connecticut branch of a financial institution, as defined in section  
194 45a-557a, to the credit of the deposit initiator. Each deposit initiator shall  
195 deposit in such account an amount equal to the refund value established  
196 pursuant to subsection (a) of section 22a-244, as amended by this act, for  
197 each beverage container sold by such deposit initiator. Such deposit  
198 shall be made not more than one month after the date such beverage  
199 container is sold, provided for any beverage container sold during the  
200 period from December 1, 2008, to December 31, 2008, inclusive, such  
201 deposit shall be made not later than January 5, 2009. All interest,  
202 dividends and returns earned on the special account shall be paid  
203 directly into such account. Such moneys shall be kept separate and apart  
204 from all other moneys in the possession of the deposit initiator. The  
205 amount required to be deposited pursuant to this section, when  
206 deposited, shall be held to be a special fund in trust for the state.

207 (b) (1) Any reimbursement of the refund value for a redeemed  
208 beverage container shall be paid from the deposit initiator's special  
209 account, with such payment to be computed, subject to the provisions  
210 of subdivision (2) of this subsection, under the cash receipts and  
211 disbursements method of accounting, as described in Section 446(c)(1)

212 of the Internal Revenue Code of 1986, or any subsequent corresponding  
213 Internal Revenue Code of the United States, as amended from time to  
214 time.

215 (2) A deposit initiator may petition the Commissioner of Revenue  
216 Services for an alternate method of accounting by filing with such  
217 deposit initiator's return a statement of objections and other proposed  
218 alternate method of accounting, as such deposit initiator believes proper  
219 and equitable under the circumstances, that is accompanied by  
220 supporting details and proof. The Commissioner of Revenue Services  
221 shall promptly notify such deposit initiator whether the proposed  
222 alternate method is accepted as reasonable and equitable and, if so  
223 accepted, shall adjust such deposit initiator's return and payment of  
224 reimbursement accordingly.

225 (c) (1) Each deposit initiator shall submit a report on March 15, 2009,  
226 for the period from December 1, 2008, to February 28, 2009, inclusive.  
227 Each deposit initiator shall submit a report on July 31, 2009, for the  
228 period from March 1, 2009, to June 30, 2009, inclusive, and thereafter  
229 shall submit a quarterly report for the immediately preceding calendar  
230 quarter one month after the close of such quarter. Each such report shall  
231 be submitted to the Commissioner of Energy and Environmental  
232 Protection, on a form prescribed by the commissioner and with such  
233 information as the commissioner deems necessary, including, but not  
234 limited to: (A) The balance in the special account at the beginning of the  
235 quarter for which the report is prepared; (B) a list of all deposits credited  
236 to such account during such quarter, including all refund values paid to  
237 the deposit initiator and all interest, dividends or returns received on  
238 the account; (C) a list of all withdrawals from such account during such  
239 quarter, all service charges and overdraft charges on the account and all  
240 payments made pursuant to subsection (d) of this section; and (D) the  
241 balance in the account at the close of the quarter for which the report is  
242 prepared.

243 (2) Each deposit initiator shall submit a report on October 31, 2010,  
244 for the calendar quarter beginning July 1, 2010. Subsequently, each



245 deposit initiator shall submit a quarterly report for the immediately  
246 preceding calendar quarter, on or before the last day of the month next  
247 succeeding the close of such quarter. Each such report shall be  
248 submitted to the Commissioner of Revenue Services, on a form  
249 prescribed by the Commissioner of Revenue Services, and with such  
250 information as the Commissioner of Revenue Services deems necessary,  
251 including, but not limited to, the following information: (A) The balance  
252 in the special account at the beginning of the quarter for which the  
253 report is prepared, (B) all deposits credited to such account during such  
254 quarter, including all refund values paid to the deposit initiator and all  
255 interest, dividends or returns received on such account, (C) all  
256 withdrawals from such account during such quarter, including all  
257 service charges and overdraft charges on such account and all payments  
258 made pursuant to subsection (d) of this section, and (D) the balance in  
259 such account at the close of the quarter for which the report is prepared.  
260 Such quarterly report shall be filed electronically with the  
261 Commissioner of Revenue Services, in the manner provided by chapter  
262 228g.

263 (d) (1) On or before April 30, 2009, each deposit initiator shall pay the  
264 balance outstanding in the special account that is attributable to the  
265 period from December 1, 2008, to March 31, 2009, inclusive, to the  
266 Commissioner of Energy and Environmental Protection for deposit in  
267 the General Fund. Thereafter, the balance outstanding in the special  
268 account that is attributable to the immediately preceding calendar  
269 quarter shall be paid by the deposit initiator one month after the close  
270 of such quarter to the Commissioner of Energy and Environmental  
271 Protection for deposit in the General Fund. If the amount of the required  
272 payment pursuant to this subdivision is not paid by the date seven days  
273 after the due date, a penalty of ten per cent of the amount due shall be  
274 added to the amount due. The amount due shall bear interest at the rate  
275 of one and one-half per cent per month or fraction thereof, from the due  
276 date. Any such penalty or interest shall not be paid from funds  
277 maintained in the special account.

278 (2) On or before October 31, 2010, each deposit initiator shall pay the

279 balance outstanding in the special account that is attributable to the  
280 period from July 1, 2010, to September 30, 2010, inclusive, to the  
281 Commissioner of Revenue Services for deposit in the General Fund.  
282 Subsequently, for the fiscal years ending June 30, 2022, and June 30,  
283 2023, eighty-two per cent of the balance outstanding in the special  
284 account that is attributable to the immediately preceding calendar  
285 quarter shall be paid by the deposit initiator on or before the last day of  
286 the month next succeeding the close of such quarter to the  
287 Commissioner of Revenue Services for deposit in the General Fund and  
288 for the fiscal year ending June 30, 2024, and each subsequent fiscal year  
289 thereafter, eighty per cent of the balance outstanding in the special  
290 account that is attributable to the immediately preceding calendar  
291 quarter shall be paid by the deposit initiator on or before the last day of  
292 the month next succeeding the close of such quarter to the  
293 Commissioner of Revenue Services for deposit in the General Fund. If  
294 the amount of the required payment pursuant to this subdivision is not  
295 paid on or before the due date, a penalty of ten per cent of the amount  
296 due and unpaid, or fifty dollars, whichever is greater, shall be imposed.  
297 The amount due and unpaid shall bear interest at the rate of one per cent  
298 per month or fraction thereof, from the due date. Any such penalty or  
299 interest shall not be paid from funds maintained in such special account.  
300 Such required payment shall be made by electronic funds transfer to the  
301 Commissioner of Revenue Services, in the manner provided by chapter  
302 228g.

303 (e) If moneys deposited in the special account are insufficient to pay  
304 for withdrawals authorized pursuant to subsection (b) of this section,  
305 the amount of such deficiency shall be subtracted from the next  
306 succeeding payment or payments due pursuant to subsection (d) of this  
307 section until the amount of the deficiency has been subtracted in full.

308 (f) The Commissioner of Revenue Services may examine the accounts  
309 and records of any deposit initiator maintained under this section or  
310 sections 22a-243 to 22a-245, inclusive, as amended by this act, and any  
311 related accounts and records, including receipts, disbursements and  
312 such other items as the Commissioner of Revenue Services deems

313 appropriate.

314 (g) The Attorney General may, independently or upon complaint of  
315 the Commissioner of Energy and Environmental Protection or the  
316 Commissioner of Revenue Services, institute any appropriate action or  
317 proceeding to enforce any provision of this section or any regulation  
318 adopted pursuant to section 22a-245, as amended by this act, to  
319 implement the provisions of this section.

320 (h) The provisions of sections 12-548, 12-550 to 12-554, inclusive, and  
321 12-555a shall be deemed to apply to the provisions of this section, except  
322 any provision of sections 12-548, 12-550 to 12-554, inclusive, and 12-555a  
323 that is inconsistent with the provision in this section.

324 (i) Any payment required pursuant to this section shall be treated as  
325 a tax for purposes of sections 12-30b, 12-33a, 12-35a, 12-39g and 12-39h.

326 (j) Not later than July 1, 2010, the Department of Energy and  
327 Environmental Protection or successor agency shall establish a  
328 procedure that allows each such deposit initiator to take a credit against  
329 any payment made pursuant to subsection (d) of this section in the  
330 amount of the deposits refunded on beverage containers which such  
331 deposit initiator donated for any charitable purpose.

332 Sec. 5. Section 22a-245b of the general statutes is repealed and the  
333 following is substituted in lieu thereof (*Effective July 1, 2021*):

334 Any manufacturer who bottles and sells: [two] (1) Two hundred fifty  
335 thousand or fewer beverage containers containing a noncarbonated  
336 beverage that are twenty ounces or less in size each calendar year, or (2)  
337 one hundred thousand gallons or less of juice in beverage containers  
338 each calendar year, may apply to the Commissioner of Energy and  
339 Environmental Protection for an exemption from the requirements of  
340 sections 22a-244 to 22a-245a, inclusive, as amended by this act, with  
341 regard to such beverage containers containing noncarbonated  
342 beverages or with regard to such one hundred thousand gallons or less  
343 of juice in beverage containers. Such application shall be accompanied

344 by a sworn affidavit signed by such manufacturer or such  
345 manufacturer's authorized agent certifying such manufacturer bottles  
346 and sells two hundred fifty thousand or fewer of such beverage  
347 containers per calendar year or bottles and sells one hundred thousand  
348 gallons or less of juice in beverage containers per calendar year. Any  
349 such application filed on or before April 1, 2009, shall be deemed  
350 automatically approved and such exemption shall remain valid until  
351 December 31, 2009. Not later than November 1, 2009, and each year  
352 thereafter, each such manufacturer or such manufacturer's authorized  
353 agent may apply to the commissioner for an exemption in accordance  
354 with this section on a form prescribed by the commissioner. The  
355 commissioner shall approve each such application not later than thirty  
356 days after the receipt of the application by the commissioner, provided  
357 the applicant satisfies the requirements of this section.

358       Sec. 6. (NEW) (*Effective July 1, 2021*) Not later than July 1, 2022, the  
359 Commissioner of Energy and Environmental Protection shall develop  
360 an incentive program to assist municipalities that wish to adopt a unit-  
361 based pricing program for solid waste disposal in such municipality.  
362 The commissioner shall identify funding sources to be utilized in  
363 providing such incentives to municipalities.

364       Sec. 7. (NEW) (*Effective July 1, 2021*) (a) On and after July 1, 2021, any  
365 dealer, as defined in section 22a-243 of the general statutes, as amended  
366 by this act, whose place of business is part of a chain engaged in the  
367 same general field of business that operates ten or more units in this  
368 state under common ownership and whose business has not less than  
369 ten thousand square feet devoted to the display of merchandise for sale  
370 to the public shall install and maintain not less than two reverse vending  
371 machines, as defined in section 22a-243 of the general statutes, as  
372 amended by this act, at such dealer's place of business.

373       (b) The requirements of subsection (a) of this section to install and  
374 maintain reverse vending machines shall not apply to any dealer that:  
375 (1) Sells only beverage containers, as defined in section 22a-243 of the  
376 general statutes, as amended by this act, of twenty ounces or less where

377 such beverage containers are packaged in quantities fewer than six; (2)  
378 sells beverage containers and devotes no more than five per cent of the  
379 dealer's floor space to the display and sale of consumer products; or (3)  
380 obtains a waiver from the Commissioner of Energy and Environmental  
381 Protection authorizing dealers to provide consumers with an alternative  
382 technology that: (A) Determines if the beverage container is redeemable,  
383 (B) provides protections against fraud through a system that validates  
384 each beverage container redeemed by reading the universal product  
385 code and, except with respect to refillable containers, renders the  
386 beverage container unredeemable, (C) accumulates information  
387 regarding beverage containers redeemed, and (D) issues legal tender, or  
388 a scrip, receipt or other form of credit for the refund value, that can be  
389 exchanged for legal tender for a period of not less than sixty days  
390 without requiring the purchase of other goods. If such alternative  
391 technology does not allow consumers to immediately obtain the refund  
392 value of the redeemed beverage container, a dealer shall be permitted  
393 to deploy such alternative technology only if such dealer also offers an  
394 alternative that allows consumers to conveniently and immediately  
395 obtain such refund value through a reverse vending machine or other  
396 alternative method.

397 (c) For any dealer exempt from the provisions of subsection (a) of this  
398 section and whose place of business is not less than forty thousand  
399 square feet but does not utilize reverse vending machines to process  
400 empty beverage containers for redemption shall: (1) Establish and  
401 maintain a dedicated area within such business to accept beverage  
402 containers for redemption; (2) adequately staff such area to facilitate  
403 efficient acceptance and processing of such containers during business  
404 hours; and (3) post one or more conspicuous signs at each public  
405 entrance to the business that describes where in the business the  
406 redemption area is located.

407 (d) Any dealer who violates the provisions of this section shall be  
408 fined not more than one thousand dollars, and an additional civil  
409 penalty of not more than one thousand dollars for each day during  
410 which each such violation continues. Any such civil penalty may be

411 assessed by the Commissioner of Energy and Environmental Protection  
412 following a hearing held in accordance with chapter 54 of the general  
413 statutes.

414 Sec. 8. (NEW) (*Effective from passage*) The Department of Energy and  
415 Environmental Protection shall develop the terms for a memorandum  
416 of agreement that provides, by January 1, 2023, for the in-state  
417 processing of not less than eighty per cent of the wine and liquor  
418 beverage containers sold in this state into furnace-ready cullet or by-  
419 product that is melted or otherwise used in cement, glass or fiberglass  
420 products. In developing such terms, the department shall identify the  
421 requisite parties to such an agreement and engage such parties in  
422 ongoing discussions concerning the establishment of systems and  
423 methods, pursuant to such an agreement, for the cost-effective and  
424 consumer-oriented state-wide collection of such containers that will  
425 yield sufficiently clean and acceptable containers for the owner or  
426 operator of any such facility to be used in producing such cullet or by-  
427 product. Such memorandum of agreement shall include, but not be  
428 limited to, provisions that delineate and assign responsibility among the  
429 parties for: (1) Establishing and implementing such collection systems  
430 and methods, (2) transporting collected containers to any such facility,  
431 (3) properly recycling and managing any containers not accepted by any  
432 such facility, (4) executing any financial obligations among the parties  
433 pursuant to such agreement, (5) recordkeeping of volume, tonnage and  
434 categories of containers processed, annually, pursuant to such  
435 agreement, and (6) auditing costs, efficiencies and benefits of such  
436 agreement. Not later than January 15, 2022, the Commissioner of Energy  
437 and Environmental Protection shall submit a draft of such  
438 memorandum of agreement to the joint standing committee of the  
439 General Assembly having cognizance of matters relating to the  
440 environment.

441 Sec. 9. (NEW) (*Effective from passage*) The Department of Energy and  
442 Environmental Protection shall develop the programmatic  
443 specifications for the drafting of a request for information that solicits  
444 responses from persons, companies and organizations concerning their

445 experience, expertise and approaches for the inclusion of such  
 446 programmatic specifications in the operation of a state-wide beverage  
 447 container redemption management program. Such programmatic  
 448 specifications shall include, but not be limited to: (1) Descriptions of the  
 449 existing collection and redemption centers throughout the state that are  
 450 utilized as part of the beverage container redemption management  
 451 program established pursuant to the provisions of chapter 446d of the  
 452 general statutes, (2) disclosure of applicable rates of redemption for said  
 453 beverage container redemption management program, (3) identification  
 454 of said beverage container redemption management program's  
 455 components that yield costs to the state or any participant of said  
 456 program, and (4) analysis of revenues that escheat to the state pursuant  
 457 to said beverage container redemption management program and any  
 458 projected diminishment in the state's use or collection of such revenues  
 459 in the next five fiscal years beginning July 1, 2021. Not later than January  
 460 15, 2022, the Commissioner of Energy and Environmental Protection  
 461 shall submit a draft of such programmatic specifications to the joint  
 462 standing committee of the General Assembly having cognizance of  
 463 matters relating to the environment and any recommendations  
 464 concerning such programmatic specifications and request for  
 465 information.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2022</i>	22a-243
Sec. 2	<i>January 1, 2022</i>	22a-244
Sec. 3	<i>July 1, 2021</i>	22a-245
Sec. 4	<i>July 1, 2021</i>	22a-245a
Sec. 5	<i>July 1, 2021</i>	22a-245b
Sec. 6	<i>July 1, 2021</i>	New section
Sec. 7	<i>July 1, 2021</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section

**ENV** Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Revenue Serv., Dept.	GF - Revenue Gain	4.2 million	5 million
Revenue Serv., Dept.	GF - Cost	Up to 30,000	None

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill, which expands the beverage container redemption law and increases the associated deposit amount, results in a General Fund revenue gain of \$4.2 million in FY 22, \$5 million in FY 23, and \$4 million in FY 24 and annually thereafter. This also results in a one-time cost of up to \$30,000 to the Department of Revenue Services in FY 22 for revisions to the online Taxpayer Service Center through which the revenue is remitted.

Additionally, the bill increases the handling fee to three and one-half cents, per beverage container, that distributors pay to retailers and redemption centers. The bill also contains requirements for: (1) reverse vending machines (RVM's) or dedicated beverage container redemption areas at certain retailers, and (2) Universal Product Code (UPC) and barcodes for all refundable beverage containers sold in the state. These provisions have no fiscal impact to the state or municipalities as they apply to private, third-parties.

The bill requires the Department of Energy and Environmental Protection (DEEP) to perform several tasks regarding the operation of a



statewide beverage container redemption management program. These tasks include the development of terms for a memorandum of agreement (MOA) providing in-state processing for a portion of wine and liquor beverage containers sold in-state, and development of a municipal "pay-as-you-throw" program, including programmatic funding sources. This has no fiscal impact to DEEP, as the agency currently has expertise for these purposes.

Lastly, the bill makes other technical and conforming changes which have no fiscal impact.

**The Out Years**

**State Impact:**

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$	FY 26 \$
Revenue Serv., Dept.	GF - Revenue Gain	4 million	4 million	4 million
Revenue Serv., Dept.	GF - Cost	None	None	None

Note: GF=General Fund

**Municipal Impact:** None

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**OLR Bill Analysis****sSB 1037****AN ACT CONCERNING SOLID WASTE MANAGEMENT.****SUMMARY**

This bill revamps the state's beverage container redemption law ("bottle bill," see BACKGROUND) by doing the following:

1. expanding the list of beverages subject to the bottle bill's requirements (§§ 1 & 5);
2. increasing, beginning January 1, 2022, the beverage container deposit amount to at least 10 cents, rather than five cents (in practice the deposit is that specific amount) (§ 2);
3. increasing the handling fee to three and one-half cents per beverage container that distributors must pay to dealers (e.g., and hereafter, "retailers") and redemption centers, thus applying one fee uniformly (§ 3);
4. requiring distributors to remit 82% instead of 100% of unclaimed deposits to the revenue services commissioner in FYs 22 and 23 (consequently allowing them to keep 18%), and thereafter to remit 80% and keep the remaining 20% (§ 4);
5. requiring certain retailers to install and maintain at least two reverse vending machines (RVMs) at their place of business or have dedicated areas for redeeming beverage containers (§ 7); and
6. requiring, beginning January 1, 2022, (a) all refundable beverage containers sold in Connecticut to have a Universal Product Code (UPC) and barcode and (b) deposit initiators (e.g., the first distributor to collect the deposit) to provide them, with

packaging information, to the RVM system administrators and other system operators at least 30 days before placing the beverage containers on the market (§ 2).

The bill requires the Department of Energy and Environmental Protection (DEEP) to (1) develop programmatic specifications for drafting a request for information (RFI) about operating a statewide beverage container redemption management program and (2) report on them to the Environment Committee (§ 9).

The bill also requires DEEP to develop terms for a memorandum of agreement (MOA) that provides for in-state processing of at least 80% of the wine and liquor beverage containers sold in-state (§ 8).

The bill requires the DEEP commissioner, by July 1, 2022, to develop an incentive program to help municipalities that want to adopt a unit-based pricing program for solid waste disposal (e.g., “pay-as-you-throw”). She must also identify funding sources to provide the incentives (§ 6).

Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2021, except the deposit increase takes effect January 1, 2022, the expansion of containers subject to the law takes effect July 1, 2022, and the MOA and RFI provisions are effective upon passage.

## **§§ 1 & 5 — COVERED BEVERAGE CONTAINERS**

Under current law, the bottle bill applies to beverage containers of the following: beer, other malt beverages, mineral or soda water, carbonated soft drinks, and water, including flavored or nutritionally enhanced water.

Beginning July 1, 2022, the bill generally expands the bottle bill to include beverage containers for hard seltzer, hard cider, and generally any noncarbonated liquids intended for human consumption not already covered by the law such as plant water or plant infused drink,

juice or juice drink, tea, coffee, kombucha, sports or energy drink, and spirit or liquor sold in containers of 50mL or less. It also includes beverages that are identified as these through the use of letters, words, or symbols on their labels. The bill does so by adding these products to the law's definitions of "carbonated beverage" and "noncarbonated beverage."

### **Exempt Containers**

The bottle bill currently exempts from its requirements (1) noncarbonated beverages of at least three liters in size or (2) containers made of high-density polyethylene (i.e., with an HDPE designation or #2 recycling symbol). It also exempts containers provided on interstate passenger carriers (e.g., planes or trains). The bill modifies some of these exemptions and creates new ones.

First, the bill excludes from the expanded definition of "noncarbonated beverage" infant formula, dairy beverages, meal replacement liquids, and federally regulated drugs.

The bill (1) eliminates the exemption for high-density polyethylene containers, (2) reduces the current size threshold for exempt noncarbonated beverage containers to be exempt, and (3) imposes a size threshold for exempting carbonated beverages. Specifically, the bill exempts containers for (1) carbonated beverages of greater than three liters and (2) noncarbonated beverage container of greater than two and one-half liters.

Additionally, by law, manufacturers that annually bottle and sell up to 250,000 noncarbonated beverages of 20 ounces or less in size may apply to the DEEP commissioner for an exemption from the law's provisions (CGS § 22a-245b). The bill extends this exemption to manufacturers of the new noncarbonated beverages covered by the bill (e.g., juice, coffee, tea, or sport or energy drink). And the bill creates a new exemption for juice manufacturers that annually bottle and sell up to 100,000 gallons of juice in beverage containers. These juice manufacturers must also apply to DEEP for the exemption.

### § 3 — HANDLING FEES

Beginning July 1, 2021, the bill increases the handling fees for beverage containers currently redeemed under the bottle bill by setting the minimum handling fee for all beverage containers at three and one-half cents per container (see Table 1). It applies the increased fee to the bill's newly covered beverage containers.

**Table 1: Bottle Bill Handling Fees**

	<i>Current Law</i>	<i>Under the Bill</i>
<i>Beer or other malt beverages</i>	\$0.015	\$0.035
<i>Noncarbonated, mineral or soda water, and carbonated soft drinks</i>	\$0.02	

### § 4 — UNCLAIMED DEPOSITS

Under current law, unclaimed deposits are paid quarterly by the distributors to the revenue services commissioner for deposit into the state's General Fund. For FYs 22 and 23, the bill requires the distributors to only remit 82% of the unclaimed deposits to the commissioner, consequently allowing them to keep 18% of the funds. Thereafter, it requires the distributors to remit 80% of the unclaimed deposits, thus keeping 20% of the funds.

### § 7 — RETAILER RVMS AND REDEMPTION AREAS

The bill generally requires certain retailers, beginning July 1, 2021, to install and maintain at least two RVMS at their place of business. Under the bill, an RVM is a mechanical device that (1) accepts used beverage containers from consumers and (2) provides a way of refunding the containers' refund value (deposit amount) to the device user.

The requirement to have the RVMS applies to retailers whose place of business (1) is part of a chain engaged in the same general type of business that operates at least 10 units in Connecticut under common

ownership and (2) uses at least 10,000 square feet of space to display merchandise for sale to the public.

The bill also requires retailers exempt from the RVM requirement (see below), whose place of business is at least 40,000 square feet and does not use RVMs, to have and maintain a dedicated area at the business to accept and redeem beverage containers. It requires these areas to be adequately staffed so that containers can be efficiently accepted and processed during business hours. There must also be at least one conspicuous sign posted at each public entrance describing how to find the redemption area.

### ***Exemptions***

The bill exempts from the RVM requirement retailers that do the following:

1. sell only beverage containers of 20 ounces or less that are packaged in quantities of less than six;
2. sell beverage containers, but use no more than 5% of their floor space to display and sell consumer products; or
3. get a waiver from the DEEP commissioner allowing them to use an alternative technology to redeem the containers.

For the waiver, the alternative technology must be able to:

1. determine a beverage container's redeemability;
2. protect against fraud by reading a container's UPC and, except for refillable containers, renders the container unredeemable;
3. collect information about the redeemed containers; and
4. issue legal tender or a scrip, receipt, or other credit for the refund value that can be exchanged for legal tender for at least 60 days without needing to purchase other goods.

If the alternative technology does not allow consumers to

immediately obtain the refund value, a retailer can only use it if the retailer also allows consumer to conveniently and immediately obtain the refund value through an RVM or another method.

### **Penalty**

The bill subjects retailers who violate these requirements to a civil fine of up to \$1,000, with an additional \$1,000 for each day the violation continues. It requires a hearing held according to the Uniform Administrative Procedures Act before the DEEP commissioner can assess the fine.

## **§ 8 — MOA: WINE AND LIQUOR CONTAINERS**

Under the bill, DEEP must develop the terms for a MOA that, by January 1, 2023, provides for in-state processing of at least 80% of the wine and liquor beverage containers sold in the state. The processing must turn the containers into furnace-ready cullet or by-product that is melted or otherwise used in cement, glass, or fiberglass products.

The bill requires DEEP, when developing the terms, to (1) identify the parties that must be part of the agreement and (2) engage them in ongoing discussions about establishing systems and methods under the agreement for statewide, cost-effective, and consumer-oriented collection of the wine and liquor beverage containers. The collected materials must also be sufficiently clean and acceptable for use at a facility that produces the glass cullet or byproduct.

Under the bill, the MOA must include provisions, with responsibilities assigned among the parties, for the following:

1. establishing and implementing the collection systems and methods;
2. transporting collected containers to a processing facility;
3. properly recycling and managing containers not accepted by a facility;
4. executing financial obligations among the parties according to

the agreement;

5. recordkeeping of the volume, tonnage, and categories of containers annually processed under the agreement; and
6. auditing costs, efficiencies, and benefits of the agreement.

The bill requires the DEEP commissioner to submit a draft of the MOA to the Environment Committee by January 15, 2022.

### **§ 9 — PROGRAMMATIC SPECIFICATIONS AND RFI**

The bill requires DEEP to develop programmatic specifications for drafting an RFI about the operation of a statewide beverage container redemption management program. The purpose of the RFI is to solicit responses from people, companies, and organizations about their experience, expertise, and approaches for including the specifications in the program's operation.

Under the bill, the programmatic specification must at least include the following:

1. descriptions of existing collection and redemption centers in the state;
2. disclosure of applicable redemption rates for the beverage container redemption program;
3. identification of the program's components that cost the state or program participants; and
4. analysis of program revenues to the state and any projected decrease in the state's use or collection of these revenues during the next five fiscal years.

The bill requires the DEEP commissioner, by January 15, 2022, to submit to the Environment Committee a draft of the programmatic specifications and any recommendations about them and the RFI.

### **BACKGROUND**



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**Current Bottle Redemption Process**

In general, Connecticut's bottle bill redemption process currently works as follows:

1. a retailer pays a beverage container distributor five cents for each eligible beverage container that the distributor delivers;
2. a consumer pays the retailer five cents for each beverage container that he or she purchases from the retailer;
3. the retailer or a redemption center pays the consumer five cents for each beverage container that he or she returns (i.e., refunding the deposit);
4. the distributor reimburses the retailer or redemption center five cents for each beverage container returned, plus a handling fee; and
5. the distributor pays the state the five cents for each unclaimed deposit, which is deposited into the General Fund (CGS § 22a-243 *et seq.*).

**COMMITTEE ACTION**

Environment Committee

Joint Favorable Substitute

Yea 21    Nay 11    (03/31/2021)