

Environment Committee JOINT FAVORABLE REPORT

Bill No.: SB-1037

Title: AN ACT CONCERNING SOLID WASTE MANAGEMENT.

Vote Date: 3/31/2021

Vote Action: Joint Favorable Substitute

PH Date: 3/19/2021

File No.:

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SPONSORS OF BILL:

Rep. Aimee Berger-Girvalo, 111th Dist.
Rep. Mary M. Mushinsky, 85th Dist.
Rep. Mike Demicco, 21st Dist.
Rep. Maria P. Horn, 64th Dist.
Rep. David Michel, 146th Dist.
Rep. Jillian Gilchrest, 18th Dist.
Rep. Michael A. Winkler, 56th Dist.
Rep. Edwin Vargas, 6th Dist.
Rep. Anne M. Hughes, 135th Dist.
Rep. Travis Simms, 140th Dist.
Rep. Josh Elliott, 88th Dist.
Rep. Anthony L. Nolan, 39th Dist.
Rep. John "Jack" F. Hennessy, 127th Dist.
Rep. Jane M. Garibay, 60th Dist.

Sen. Alex Kasser, 36th Dist.

REASONS FOR BILL:

Connecticut has not changed the bottle handling fee per container in over thirty years remaining at 1.5 cents for beer and other malt beverages, and 2 cents for soda and other beverages covered under the state's current bottle recycling program. This compensation is out of date and does not cover the cost of redemption. The absence of any increase in the handling fee has puts many redemption centers out of business over the last several years, and may put more redemption centers out of business in the future. Furthermore, distributors share concerns about increasing the handling fee because unclaimed deposits are paid by

the distributors to the state and deposited in the General Fund. At the same time, the state of Connecticut continues to expand recycling goals of the state. The bill seeks to expand the states recycling goals by (1) expanding the bottle redemption program to include certain juice, teas, sports drinks, and energy drinks, and (2) increasing bottle deposits from 5 cents to 10 cents. Additionally, to address the handling fee concerns shared by redemption centers, the bill increases the handling fee from 1.5 to 3.5 cents for beer and other malt beverages, soda and other beverages covered under the state's bottle recycling program as amended by the bill. Finally, seeks to address concerns shared by distributors in years past in regards to increasing the handling fee, the bill allows distributors to keep 20% of the unclaimed deposits by 2024.

The establishment of a program to recycle wine and spirit bottles outside the current bottle fill to fulfill a market for glass cullet is a step forward in increasing the

Substitute Language – LCO No. 6230

Removes Section 2(B) from Raised Bill. Modifies Section 7(a) to state that a business that has more than ten or more units under common ownership and ten thousand square feet of merchandise display can have no less than two reverse vending machines. Substitute Language Adds Section 8 and Section 9 to HB1037.

RESPONSE FROM ADMINISTRATION/AGENCY:

Katie Dykes, Commissioner, Department of Energy and Environmental Protection

In Connecticut, the number of redemption centers has been shrinking due to in part due to the low handling fee. The fee has not increased since the bottle bill came into effect in 1980. The increase in handling value fee is important to modernize and expand the program infrastructure. Connecticut's current redemption rate is 50%, states with a deposit typically sees redemption rates over 80%.

Department of Energy and Environmental Protection (DEEP) supports the inclusion of additional product categories will lead to higher rates of recovery. HB 1037 supports the inclusion of wine and liquor bottles to be managed outside the bottle bill through if done so by July 1, 2024.

DEEP supports the development of an incentive program for unit-based pricing (UBP) programs to assist Connecticut municipalities to create efficiencies and reduce costs related to municipal solid waste management (MSW). Connecticut faces a material disposal crisis. The reduction of generated MSW through UBP programs are an effective means for the state to realize reductions.

Peter Hearn, Executive Director, Council on Air Quality

The Council on Air Quality released a report *Low Deposit, Low Return* October 2020 that included recommendations to modernize the bottle redemption program. The research performed showed an increased from \$.05 to \$.10 could raise redemption level at least fifty

percent above the current level. The benefits are 1) removes bottles from the waste stream, 2) reduces cross-contamination with other recyclable materials and 3) reduces the cost of municipal solid waste. The expansion to other types of containers multiply these benefits and to possibly increase the number of redemption centers across the state.

NATURE AND SOURCES OF SUPPORT:

Mary Mushinsky, Representative, CT House of Representatives

Legislature's failure to update the deposit and handling fee for more than 40 years have damaged recycling and waste reduction. The current result is halved recycling of beverage containers, increased throwaway containers in parks, in waterbodies and roads. The cost has been shifted from producers and distributors to municipalities. Redemption centers for years have plead for a cost of living raise with an increase on the handling fee, redemptions center began to disappear. At \$.05 per container, less than 50% of containers are recycled. The current system does not work. MIRA in Hartford will close shortly. In 2024, municipalities will need to ship waste more than 500 miles for disposal at significant expense to the taxpayer.

Fred Camillo, First Selectman, Town of Greenwich

SB1037 expands the types of bottles and cans, raises the deposit and handling fee. This effort keeps Connecticut in line with surrounding states, reduces the waste stream and keeps redemption centers open. When the bottle bill expanded to water bottles there was less debris on the roads, in parks and at fields. That provided an outcome on the environment and reduced municipal waste.

Betsy Gara, Executive Director, Connecticut Council of Small Towns

This bill will help municipalities meet the goals of the Comprehensive materials management Strategy, which requires the diversion and recycling of at least 60% in the state by 2024.

Susan Collins, President, Container Recycling Institute (CRI)

CRI supports the bill, in part, for the following reasons: (1) the new beverage containers included in the bill amount to 480 million bottles and cans in the state, (2) the bill will help the state recover and recycle more glass, (3) puts deposits on non-carbonated beverages, and (4) increasing the deposit value will improve redemption rates in Connecticut. Reducing the requirement to make new bottles and cans from virgin material can is the equivalent of taking 9,000 cars off the road for a year.

Raising the handling fee from \$.05 to \$.10 would return redemption centers to a profitable business model. This is an improvement in several low-income communities, currently it's difficult to find a redemption location due to non-participation by retailers and lack of redemption centers.

Donna Hamzy, Advocacy Manager, Connecticut Conference of Municipalities

Supports efforts by DEEP to establish 1) incentives program and funding sources for unit-based pricing model for waste management 2) Increases in bottle redemption fee, increases in the handling fee and expansion to include a variety of additional beverages. Any new revenues should be applied improvements in the waste management system.

The Environment Committee received more than 125 testimonials in support of SB1037.

NATURE AND SOURCES OF OPPOSITION:

Shelby Williams, Field Organizer, Voices of Women of Color

Voices of Women of Color (VOWOC) volunteers with the vulnerable populations in Hartford. Many residents of Hartford do not have transportation. They purchase their food and drink at the local bodegas at higher prices, as they do not have the option of shopping at national chain store. There is not a local redemption center nearby. Ms. Williams states " In all the years I've worked with the most vulnerable people in the city of Hartford, no one has ever asked me to take them to the store to redeem bottles." Low and fixed income cannot afford the \$.10 redemption fee.

Alan Wilensky, President, Max's Package Store

Most liquor stores do not have the capacity to handle the current volume of beer and soda bottles for deposit. The addition of miniatures, wine and spirit bottles with this bill makes the issue worse. Additional space for storage of recyclables takes away from saleable inventory. This is a hardship.

Mark Rossingnol, Frank's Package Store

Frank's Package store has approximately 2000 sq ft of retail space. To account for the added nips, wine and spirit bottle recyclables, Frank's would need approximately 500 sq ft of space. Reduced retail space for Connecticut specialty items would be reduced, as most people are looking for national brands. Health issues are a potential concern, most persons do not wash out beer and soda recyclables, can cause an insect infestation. Mom and Pop liquor stores were not meant to become a redemption center.

Steve Changaris, Connecticut Chapter Director, National Waste and Recycling Association

Expanding the state's bottle bill will remove recyclable products, mostly plastics and containers, from the state's recycling stream. These containers are essential to the economic viability of the Connecticut recycling industry since the industry can market these recyclables

in the secondary market. This bill will cause harm by increasing municipal hauling costs with removal if the most valuable products are removed from curbside recyclables.

Jonathan Edwards, President, Connecticut Vineyard and Winery Association

Connecticut Farm Wineries are unique as the producer, distributor and retailer. If farm wineries are forced to take back dirty wine bottles, production areas are susceptible to contaminants and spoilage organisms. The production areas are sterile. Beer and soda containers under the current bottle redemption law are NOT returned to the producer and are handled by the retailer and distributor. Farm wineries do not possess this capability. The only choice farm wineries are left with is to take used bottles to the local transfer station.

The Environment Committee received more than 25 testimonials in opposition of SB1037.

Reported by: Steve Smith

Date: 4/13/2021