

OFFICE OF FISCAL ANALYSIS

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SB-1037

AN ACT CONCERNING SOLID WASTE MANAGEMENT. AMENDMENT

LCO No.: 9468

File Copy No.: 562

Senate Calendar No.: 322

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Department of Revenue Services	GF - Revenue Gain	None	800,000
Department of Revenue Services	GF - Cost	None	Up to 30,000
Department of Energy and Environmental Protection	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	Revenue Gain	Approximately 310,000	Approximately 620,000

Explanation

The amendment strikes the underlying bill and associated fiscal impact.

The amendment, which expands the beverage container redemption law and increases the associated deposit amount, results in a General Fund revenue gain of \$800,000 in FY 23, \$1.4 million in FY 24, and \$400,000 in FY 25 and annually thereafter. This also results in a one-time cost of up to \$30,000 to the Department of Revenue Services in FY 23 for revisions to the online Taxpayer Service Center through which the

revenue is remitted.

Section 7 requires certain retailers to install and maintain at least two reverse vending machines (RVMs) in their stores or have dedicated areas for beverage redemption. It subjects certain 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 (after a hearing process). This may result in a revenue gain to the General Fund to the extent violations occur. Any revenue generated under this provision is not anticipated to be significant as it is expected most retailers that meet the criteria for the RVM requirements would be in compliance with the amendment's stipulations.

Section 10 establishes a five-cent surcharge on the sale of 50 milliliter bottles ("nips"). The amendment requires the revenue generated from the surcharge to be remitted to the municipalities where such sales occur, regardless of how many bottles are redeemed. This results in an estimated revenue gain of approximately \$310,000 in FY 22 and \$620,000 annually thereafter, across all municipalities.

Additionally, the amendment increases the handling fee that distributors pay to retailers and redemption centers. This provision has no fiscal impact to the state or municipalities as they apply to private, third-parties.

The amendment requires the Department of Energy and Environmental Protection (DEEP) to perform several tasks regarding operation of a statewide beverage container redemption management program. These tasks include 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. This has no fiscal impact to DEEP, as the agency currently has expertise for these purposes.

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

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.