

## Unclaimed Bottle Deposits

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### Issue

What happens to unclaimed bottle deposits under Connecticut’s beverage container redemption law (“bottle bill”)?

This report updates information in OLR Report [2017-R-0259](#) to account for changes made by [PA 21-58](#).

### Unclaimed Bottle Deposits

Until fiscal year 2023 (FY 23), Connecticut law requires that unclaimed bottle deposits, less any applicable bank fees, only be deposited into the state’s General Fund. After that, it incrementally reduces the amount of unclaimed deposits deposited to the General Fund to 45% by FY 26, as shown in the table below, and allows the beverage container distributors to keep the remainder ([CGS § 22a-245a](#), as amended by [PA 21-58](#), § 4).

Percentage Distribution of Unclaimed Deposits

	General Fund	Distributors
Through FY 22	100%	0%
FY 23	95	5
FY 24	65	35
FY 25	55	45
FY 26 and beyond	45	55

Under the state’s bottle bill, retailers (referred to in the law as “dealers”) give distributors (referred to in the law as “deposit initiators”) five cents for each beverage container covered by the law that they receive. (Under [PA 21-58](#), beginning January 1, 2024, the deposit amount will increase from at least five to 10 cents.) The distributor must (1) deposit the funds into a separate interest-bearing bank account which must be held to be in a special fund in trust for the state and (2) use it to pay the refund value of redeemed beverage containers to the retailers and redemption centers.

The law requires any interest, dividends, and returns earned on the account to be paid directly to the account. The distributors must quarterly pay to the Department of Revenue Services (DRS) commissioner the required percentage of outstanding unclaimed deposits in the account (see table above), less any applicable bank fees, for deposit into the General Fund. The penalty for failing to make timely payments is the greater of 10% of the unpaid amount or \$50, and unpaid amounts are subject to interest at 1% per month or fraction of a month.

According to DRS’s most recent [annual report](#), the state’s General Fund received \$43,650,577 in FY 20 from unclaimed deposits.

### ***Additional Information – Unclaimed Deposits Pre-2009***

When the bottle bill took effect in 1980, distributors kept 100% of the unclaimed bottle deposits. This changed in 2008 and 2009 when the legislature required distributors to (1) place deposits in the separate bank account ([PA 08-1](#), November Special Session, §§ 10-14) and (2) quarterly pay any unclaimed deposits to the state for deposit into the General Fund ([PA 09-1](#), § 15).

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