
OLR Bill Analysis

sSB 1236

AN ACT CONCERNING THE AMOUNTS OF UNCLAIMED BEVERAGE CONTAINER DEPOSITS TO BE PAID FOR DEPOSIT IN THE GENERAL FUND.

SUMMARY

For FYs 24 and 25, this bill reduces the amount of unclaimed deposits remitted to the General Fund under the state's beverage container redemption law (i.e., "bottle bill"). For FY 24, it requires deposit initiators (e.g., distributors) to keep all unclaimed deposits from July 1, 2023, to the end of the calendar year, to reimburse them for the 10-cent deposit on redeemed beverage containers scheduled to take effect on January 1, 2024. For FY 25, it reduces the amount of unclaimed deposits that deposit initiators must quarterly remit to the General Fund from 55% to 50%.

Beginning in FY 26, current law requires deposit initiators to remit 45% of unclaimed deposits to the General Fund. The bill instead ties the required remittance to the average statewide redemption rate for the preceding fiscal year and requires deposit initiators to remit less than 45% of unclaimed deposits if the redemption rate is greater than 65%.

EFFECTIVE DATE: Upon passage

UNCLAIMED DEPOSITS REMITTED TO GENERAL FUND

FYs 24 and 25

The state's bottle bill generally requires a deposit to be charged on each beverage container at the time of purchase. Deposit initiators must place an amount equal to the deposits they collect on sales into a separate, interest-bearing account to refund deposits on redeemed beverage containers. On January 1, 2024, the deposit amount increases from five cents to 10 cents.

Under current law, deposit initiators must pay the revenue services commissioner 95% of the outstanding account balance attributable to the previous calendar quarter, for deposit in the General Fund, and in FY 24 this amount decreases to 65%. The bill requires deposit initiators to keep all outstanding balances attributable to the calendar quarters starting July 1, 2023, and October 1, 2023, to refund the 10-cent deposits that apply on January 1, 2024.

Starting in FY 25, the bill requires deposit initiators to pay the revenue services commissioner 50% of the outstanding account balance for each quarter, rather than the 55% required under current law.

FY 26 and After

Starting in FY 26, the bill ties the percentage of unclaimed deposits that deposit initiators must remit each quarter to the average statewide redemption rate for the preceding fiscal year, as shown in the table below. It requires the Department of Energy and Environmental Protection commissioner, beginning by August 1, 2024, to annually calculate and publish this rate by dividing the number of beverage containers redeemed by the number sold.

Table: Required Remittance of Unclaimed Deposits for FY 26 and After

<i>FY</i>	<i>Statewide Redemption Rate for Preceding Fiscal Year</i>	<i>Required Remittance</i>
26	At least 65%	25%
	Less than 65%	45%
27	At least 70%	5%
	Greater than 65%, but less than 70%	25%
	65% or less	45%
28 and after	At least 80%	5%
	Greater than 70%, but less than 80%	10%
	Greater than 65% to 70%	25%
	65% or less	45%

BACKGROUND

Related Bills

sSB 981, favorably reported by the Finance, Revenue and Bonding Committee, contains identical provisions.

sSB 895 (File 33), favorably reported by the Environment Committee, contains a similar provision requiring deposit initiators to keep all unclaimed deposits from July 1, 2023, to the end of the year.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 51 Nay 0 (04/19/2023)