

Beverage Container Redemption Fraud

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Issue

Describe (1) Connecticut's law prohibiting interstate beverage container redemption fraud and (2) similar laws in other states.

This report updates information in OLR Report [2013-R-0006](#).

Summary

During its 2024 regular session, the Connecticut legislature amended the state's beverage container redemption law ("bottle bill") to prohibit knowingly tendering any empty beverage container that was originally sold out-of-state or previously returned in order to redeem its refund value or obtain a handling fee. A violation is punishable by a fine of between \$50 and \$500, depending on the number of previous offenses.

Of the nine other states with bottle bills, seven explicitly prohibit people from redeeming beverage containers purchased out of state for deposits they did not pay in the state where they are redeemed (California, Maine, Massachusetts, Michigan, New York, Oregon, and Vermont). Iowa has provisions prohibiting practices (e.g., attempting to redeem improperly marked containers) that may include redeeming out-of-state-purchased containers. Some of these states (Maine, Michigan, and New York) require signage notifying the public about the prohibited acts and potential for penalties.

New Connecticut Law

State law prohibits, under the state's bottle bill, offering an empty beverage container to a dealer (e.g., retailer), redemption center, reverse vending machine, distributor, or deposit initiator (i.e., the

first distributor to collect the deposit), to obtain its refund value or handling fee if the offeror knows, or should know, that it was already redeemed or originally purchased out-of-state ([CGS § 22a-245](#), as amended by [PA 24-2](#)).

The law correspondingly requires dealers, redemption centers, and reverse vending machine operators to post a conspicuous “Redemption Warning” sign, in at least one-inch font, where empty containers are redeemed. It specifies the language that must be used, which generally informs users about the prohibition and warns them that violating it will subject them to fines and enforcement action ([CGS § 22a-245](#), as amended by [PA 24-2](#)).

A violation of the prohibition or signage posting requirements is subject to a fine of between \$50 and \$100 for a first offense, between \$100 and \$200 for a second offense, and between \$250 and \$500 for a third or subsequent offense ([CGS § 22a-246](#)).

Other States’ Redemption Fraud Laws

Ten states, including Connecticut, have bottle bills. Besides Connecticut, seven of these have bans on trying to redeem empty beverage containers that were purchased out-of-state and thus outside of the applicable state’s bottle bill system. Table 1 below provides these state’s laws, with brief descriptions of the prohibited acts and the penalties involved. It also notes whether the states’ laws require signs informing the public about the prohibition and associated penalties.

Table 1: State Laws on Interstate Beverage Container Redemption Fraud

State & Legal Authority	Prohibited Acts	Penalties	Signs Required?
California Cal. Pub. Res. Code §§ 14591, 14594.5 & 14595.5	<ul style="list-style-type: none"> Knowingly, and with intent to defraud, redeem out-of-state containers or containers that were previously redeemed Bring out-of-state containers or already redeemed containers to the California marketplace for redemption 	<ul style="list-style-type: none"> Fine of up to \$1,000, up to six months in jail, or both, for acts involving \$950 or less (larger fines and longer sentences apply for a conviction if more than \$950 is involved) If the act involves no received money, the violation is an infraction and subject to a fine of \$100 for an initial violation and up to \$1,000 for subsequent violations (per day) Civil penalty of up to \$10,000 per transaction or an amount equal to three times the damage or potential damage, whichever is greater, plus costs 	No

Table 1 (continued)

State & Legal Authority	Prohibited Acts	Penalties	Signs Required?
<p>Iowa</p> <p>Iowa Code § 455C.12</p>	<ul style="list-style-type: none"> • Knowingly try to redeem an improperly marked beverage container (e.g., without the refund value notation due to out-of-state purchase) • Distributors trying to collect a refund value for a beverage container that it already paid; anyone knowingly trying to collect a refund value on a container for a second time 	<ul style="list-style-type: none"> • Civil fine of up to \$10 per improperly marked container, capped at \$5,000 per tender • Attempts at duplicate redemption are considered fraudulent practices and subject to a civil fine of \$2,000 per violation 	<p>No</p>
<p>Maine</p> <p>Me. Rev. Stat. Ann. tit. 38 § 3106</p>	<ul style="list-style-type: none"> • Knowingly (or with reason to know) tender more than 48 empty beverage containers for redemption that were sold out-of-state 	<ul style="list-style-type: none"> • Civil fine of \$100 per container or \$25,000 per tender of containers, whichever is greater • Private right of action for deposit initiators against violators (award of reasonable attorney's fees and costs) 	<p>Yes</p>
<p>Massachusetts</p> <p>Mass. Gen. Laws ch. 94 §§ 323 & 327</p>	<ul style="list-style-type: none"> • Knowingly (or with reason to know) tender more than 240 empty beverage containers that were sold out-of-state for redemption or to obtain the handling fee 	<ul style="list-style-type: none"> • Civil fine of \$100 per container or \$25,000 per tender of containers, whichever is greater 	<p>No</p>
<p>Michigan</p> <p>Mich. Comp. Laws §§ 445.574 & 445.574a</p>	<ul style="list-style-type: none"> • Knowingly (or should know) try to return a beverage container that was not purchased in Michigan or did not have a deposit paid on it (or, in the case of dealers or distributors, knowingly accepting and paying the deposit) • Distributors intending to defraud or cheat through other actions involving beverage containers purchased out-of-state 	<ul style="list-style-type: none"> • Penalty based on number of containers involved (e.g., 25-100 containers result in a fine of up to \$100, but more than 10,000 containers is a felony and subject to up to five years in jail, a \$5,000 maximum fine, or both) • Restitution required in criminal convictions for fraudulent redemption 	<p>Yes</p>

Table 1 (continued)

State & Legal Authority	Prohibited Acts	Penalties	Signs Required?
<p>Michigan (continued)</p>		<ul style="list-style-type: none"> Penalty for distributors in other fraudulent actions involving out-of-state containers based on container value and prior convictions (e.g., less than \$200 value is a misdemeanor and subject to up to 93 days in jail, a fine of up to \$500 or three times the value involved (whichever is greater), or both, but a \$50,000 to \$99,999 value and at least two prior convictions is a felony and subject to up to 20 years in jail, a fine of up to \$35,000 or three times the value involved (whichever is greater), or both) 	
<p>New York</p> <p>N.Y. Envtl. Conserv. Law §§ 27-1007 & 27-1015</p>	<ul style="list-style-type: none"> Knowingly redeem an empty beverage container that did not have a deposit paid in New York Return or help someone return an empty beverage container for deposit refund that was previously accepted for redemption 	<ul style="list-style-type: none"> Civil fine of up to \$500, with an additional \$500 per day for continuing violations (\$1,000 amounts apply to distributors, deposit initiators, redemption centers, and dealers) Civil fine of up to \$100 per container or up to \$25,000 per tender of containers for knowingly redeeming more than 48 containers without deposits paid in New York Criminal misdemeanor penalties apply to distributors and deposit initiators that return for deposit previously returned containers (between \$500 and \$1,000, plus an amount that is twice the amount of money received as part of the violation) Violations are deemed a public nuisance 	<p>Yes</p>
<p>Oregon</p> <p>Or. Reg. Stat. §§ 459A.716, 459.717 & 459.992</p>	<ul style="list-style-type: none"> Knowingly, and with intent to defraud, return 50 or more containers that were not sold in the state for their refund value 	<ul style="list-style-type: none"> Civil penalty of between \$50 and \$500 Class D criminal violation (with a presumptive fine of \$115) Each day of a violation is a separate offense 	<p>No</p>

Table 1 (continued)

State & Legal Authority	Prohibited Acts	Penalties	Signs Required?
<p>Vermont</p> <p>Vt. Stat. Ann. tit. 10, §§ 1525 & 1527</p> <p>Vt. Code R. § 10-103</p>	<ul style="list-style-type: none"> • Knowingly try to redeem (1) a container that was purchased out of state or (2) an improperly labeled container 	<ul style="list-style-type: none"> • Subject to general administrative penalty and civil citation enforcement authority of the Agency of Natural Resources (e.g., civil penalties up to \$3,000 per violation, economic benefit recapture) 	<p>No</p>

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