



General Assembly

Substitute Bill No. 7294

January Session, 2019



AN ACT CONCERNING BOTTLE REDEMPTION IN THE STATE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 22a-243 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2020*):

3 For purposes of sections 22a-243 to 22a-245c, inclusive:

4 (1) "Carbonated beverage" means beer or other malt beverages, and
5 mineral waters, soda water and similar carbonated soft drinks in liquid
6 form and intended for human consumption;

7 (2) "Noncarbonated beverage" means water, including flavored
8 water, nutritionally enhanced water, juice, tea, sports drink or energy
9 drink and any beverage that is identified through the use of letters,
10 words or symbols on such beverage's product label as a type of water,
11 juice, tea, sports drink or energy drink but excluding [juice and]
12 mineral water;

13 (3) "Beverage container" means the individual, separate, sealed
14 glass, metal or plastic bottle, can, jar or carton containing a carbonated
15 or noncarbonated beverage, but does not include a bottle, can, jar or
16 carton (A) three liters or more in size if containing a noncarbonated
17 beverage, or (B) made of high-density polyethylene;

18 (4) "Consumer" means every person who purchases a beverage in a
19 beverage container for use or consumption;

20 (5) "Dealer" means every person who engages in the sale of
21 beverages in beverage containers to a consumer;

22 (6) "Distributor" means every person who engages in the sale of
23 beverages in beverage containers to a dealer in this state including any
24 manufacturer who engages in such sale and includes a dealer who
25 engages in the sale of beverages in beverage containers on which no
26 deposit has been collected prior to retail sale;

27 (7) "Manufacturer" means every person bottling, canning or
28 otherwise filling beverage containers for sale to distributors or dealers
29 or, in the case of private label brands, the owner of the private label
30 trademark;

31 (8) "Place of business of a dealer" means the fixed location at which
32 a dealer sells or offers for sale beverages in beverage containers to
33 consumers;

34 (9) "Redemption center" means any facility established to redeem
35 empty beverage containers from consumers or to collect and sort
36 empty beverage containers from dealers and to prepare such
37 containers for redemption by the appropriate distributors;

38 (10) "Use or consumption" includes the exercise of any right or
39 power over a beverage incident to the ownership thereof, other than
40 the sale or the keeping or retention of a beverage for the purposes of
41 sale;

42 (11) "Nonrefillable beverage container" means a beverage container
43 which is not designed to be refilled and reused in its original shape;
44 and

45 (12) "Deposit initiator" means the first distributor to collect the
46 deposit on a beverage container sold to any person within this state.

47 Sec. 2. Section 22a-244 of the general statutes is repealed and the
48 following is substituted in lieu thereof (*Effective July 1, 2022*):

49 (a) (1) Every beverage container containing a carbonated beverage
50 sold or offered for sale in this state, except for any such beverage
51 containers sold or offered for sale for consumption on an interstate
52 passenger carrier, shall have a refund value. Such refund value shall
53 not be less than [five] ten cents and shall be a uniform amount
54 throughout the distribution process in this state. (2) Every beverage
55 container containing a noncarbonated beverage sold or offered for sale
56 in this state shall have a refund value, except for beverage containers
57 containing a noncarbonated beverage that are (A) sold or offered for
58 sale for consumption on an interstate passenger carrier, or (B) that
59 comprise any dealer's existing inventory as of March 31, 2009. Such
60 refund value shall not be less than [five] ten cents and shall be a
61 uniform amount throughout the distribution process in this state.

62 (b) Every beverage container sold or offered for sale in this state,
63 that has a refund value pursuant to subsection (a) of this section, shall
64 clearly indicate by embossing or by a stamp or by a label or other
65 method securely affixed to the beverage container (1) either the refund
66 value of the container or the words "return for deposit" or "return for
67 refund" or other words as approved by the Department of Energy and
68 Environmental Protection, and (2) either the word "Connecticut" or the
69 abbreviation "Ct.", provided this subdivision shall not apply to glass
70 beverage containers permanently marked or embossed with a brand
71 name.

72 (c) No person shall sell or offer for sale in this state any metal
73 beverage container (1) a part of which is designed to be detached in
74 order to open such container, or (2) that is connected to another
75 beverage container by a device constructed of a material which does
76 not decompose by photodegradation, chemical degradation or
77 biodegradation within a reasonable time after exposure to the
78 elements.

79 Sec. 3. Section 22a-245 of the general statutes is repealed and the
80 following is substituted in lieu thereof (*Effective July 1, 2020*):

81 (a) No person shall establish a redemption center without
82 registering with the commissioner on a form provided by the
83 commissioner with such information as the commissioner deems
84 necessary including (1) the name of the business principals of the
85 redemption center and the address of the business; (2) the name and
86 address of the sponsors and dealers to be served by the redemption
87 center; (3) the types of beverage containers to be accepted; (4) the hours
88 of operation; and (5) whether beverage containers will be accepted
89 from consumers. The operator of the redemption center shall report
90 any change in procedure to the commissioner within forty-eight hours
91 of such change. Any person establishing a redemption center shall
92 have the right to determine what kind, size and brand of beverage
93 container shall be accepted. Any redemption center may be established
94 to serve all persons or to serve certain specified dealers.

95 (b) A dealer shall not refuse to accept at such dealer's place of
96 business, from any person any empty beverage containers of the kind,
97 size and brand sold by the dealer, or refuse to pay to such person the
98 refund value of a beverage container unless (1) such container contains
99 materials which are foreign to the normal contents of the container; (2)
100 such container is not labeled in accordance with subsection (b) of
101 section 22a-244, as amended by this act; (3) such dealer sponsors, solely
102 or with others, a redemption center which is located within a [one-
103 mile] five-mile radius of such place of business and which accepts
104 beverage containers of the kind, size and brand sold by such dealer at
105 such place of business; or (4) there is established by others, a
106 redemption center which is located within a [one-mile] five-mile
107 radius of such place of business and which accepts beverage containers
108 of the kind, size and brand sold by such dealer at such place of
109 business. A dealer shall redeem an empty container of a kind, size or
110 brand the sale of which has been discontinued by such dealer for not
111 less than sixty days after the last sale by the dealer of such kind, size or

112 brand of beverage container. Sixty days before such date, the dealer
113 shall post, at the point of sale, notice of the last date on which the
114 discontinued kind, size or brand of beverage container shall be
115 redeemed.

116 (c) A distributor shall not refuse to accept from a dealer or from an
117 operator of a redemption center, located and operated exclusively
118 within the territory of the distributor or whose operator certifies to the
119 distributor that redeemed containers were from a dealer located within
120 such territory, any empty beverage containers of the kind, size and
121 brand sold by the distributor, or refuse to pay to such dealer or
122 redemption center operator the refund value of a beverage container
123 unless such container contains materials which are foreign to the
124 normal contents of the container or unless such container is not labeled
125 in accordance with subsection (b) of section 22a-244, as amended by
126 this act. A distributor shall remove any empty beverage container from
127 the premises of a dealer serviced by the distributor or from the
128 premises of a redemption center sponsored by dealers serviced by the
129 distributor, provided such premises are located within the territory of
130 the distributor. The distributor shall pay the refund value to dealers in
131 accordance with the schedule for payment by the dealer to the
132 distributor for full beverage containers and shall pay such refund
133 value to operators of redemption centers not more than twenty days
134 after receipt of the empty container. For the purposes of this
135 subsection, a redemption center shall be considered to be sponsored by
136 a dealer if (1) the dealer refuses to redeem beverage containers and
137 refers consumers to the redemption center, or (2) there is an agreement
138 between the dealer and the operator of the redemption center
139 requiring the redemption center to remove empty beverage containers
140 from the premises of the dealer. A distributor shall redeem an empty
141 container of a kind, size or brand of beverage container the sale of
142 which has been discontinued by the distributor for not less than one
143 hundred fifty days after the last delivery of such kind, size or brand of
144 beverage container. Not less than one hundred twenty days before the
145 last date such containers may be redeemed, the distributor shall notify

146 such dealer who bought the discontinued kind, size or brand of
147 beverage container that such distributor shall not redeem an empty
148 beverage container of such kind, size or brand of beverage containers.

149 (d) In addition to the refund value of a beverage container, a
150 distributor shall pay to any dealer or operator of a redemption center a
151 handling fee of at least [one] three and one-half cents for each
152 container of beer or other malt beverage and [two] four and one-half
153 cents for each beverage container of mineral waters, soda water and
154 similar carbonated soft drinks or noncarbonated beverage returned for
155 redemption. A distributor shall not be required to pay to a
156 manufacturer the refund value of a nonrefillable beverage container.

157 (e) The Commissioner of Energy and Environmental Protection shall
158 adopt regulations, in accordance with the provisions of chapter 54, to
159 implement the provisions of sections 22a-243 to 22a-245, inclusive, as
160 amended by this act. Such regulations shall include, but not be limited
161 to, provisions for the redemption of beverage containers dispensed
162 through automatic vending machines, the use of vending machines
163 that dispense cash to consumers for redemption of beverage
164 containers, scheduling for redemption by dealers and distributors and
165 for exemptions or modifications to the labeling requirement of section
166 22a-244, as amended by this act.

167 (f) For the purposes of this section, "refund value" means the refund
168 value established by subsection (a) of section 22a-244, as amended by
169 this act.

170 Sec. 4. Section 22a-245a of the general statutes is repealed and the
171 following is substituted in lieu thereof (*Effective July 1, 2020*):

172 (a) Each deposit initiator shall open a special interest-bearing
173 account at a Connecticut branch of a financial institution, as defined in
174 section 45a-557a, to the credit of the deposit initiator. Each deposit
175 initiator shall deposit in such account an amount equal to the refund
176 value established pursuant to subsection (a) of section 22a-244, as

177 amended by this act, for each beverage container sold by such deposit
178 initiator. Such deposit shall be made not more than one month after
179 the date such beverage container is sold, provided for any beverage
180 container sold during the period from December 1, 2008, to December
181 31, 2008, inclusive, such deposit shall be made not later than January 5,
182 2009. All interest, dividends and returns earned on the special account
183 shall be paid directly into such account. Such moneys shall be kept
184 separate and apart from all other moneys in the possession of the
185 deposit initiator. The amount required to be deposited pursuant to this
186 section, when deposited, shall be held to be a special fund in trust for
187 the state.

188 (b) (1) Any reimbursement of the refund value for a redeemed
189 beverage container shall be paid from the deposit initiator's special
190 account, with such payment to be computed, subject to the provisions
191 of subdivision (2) of this subsection, under the cash receipts and
192 disbursements method of accounting, as described in Section 446(c)(1)
193 of the Internal Revenue Code of 1986, or any subsequent
194 corresponding Internal Revenue Code of the United States, as
195 amended from time to time.

196 (2) A deposit initiator may petition the Commissioner of Revenue
197 Services for an alternate method of accounting by filing with such
198 deposit initiator's return a statement of objections and other proposed
199 alternate method of accounting, as such deposit initiator believes
200 proper and equitable under the circumstances, that is accompanied by
201 supporting details and proof. The Commissioner of Revenue Services
202 shall promptly notify such deposit initiator whether the proposed
203 alternate method is accepted as reasonable and equitable and, if so
204 accepted, shall adjust such deposit initiator's return and payment of
205 reimbursement accordingly.

206 (c) (1) Each deposit initiator shall submit a report on March 15, 2009,
207 for the period from December 1, 2008, to February 28, 2009, inclusive.
208 Each deposit initiator shall submit a report on July 31, 2009, for the
209 period from March 1, 2009, to June 30, 2009, inclusive, and thereafter

210 shall submit a quarterly report for the immediately preceding calendar
211 quarter one month after the close of such quarter. Each such report
212 shall be submitted to the Commissioner of Energy and Environmental
213 Protection, on a form prescribed by the commissioner and with such
214 information as the commissioner deems necessary, including, but not
215 limited to: (A) The balance in the special account at the beginning of
216 the quarter for which the report is prepared; (B) a list of all deposits
217 credited to such account during such quarter, including all refund
218 values paid to the deposit initiator and all interest, dividends or
219 returns received on the account; (C) a list of all withdrawals from such
220 account during such quarter, all service charges and overdraft charges
221 on the account and all payments made pursuant to subsection (d) of
222 this section; and (D) the balance in the account at the close of the
223 quarter for which the report is prepared.

224 (2) Each deposit initiator shall submit a report on October 31, 2010,
225 for the calendar quarter beginning July 1, 2010. Subsequently, each
226 deposit initiator shall submit a quarterly report for the immediately
227 preceding calendar quarter, on or before the last day of the month next
228 succeeding the close of such quarter. Each such report shall be
229 submitted to the Commissioner of Revenue Services, on a form
230 prescribed by the Commissioner of Revenue Services, and with such
231 information as the Commissioner of Revenue Services deems
232 necessary, including, but not limited to, the following information: (A)
233 The balance in the special account at the beginning of the quarter for
234 which the report is prepared, (B) all deposits credited to such account
235 during such quarter, including all refund values paid to the deposit
236 initiator and all interest, dividends or returns received on such
237 account, (C) all withdrawals from such account during such quarter,
238 including all service charges and overdraft charges on such account
239 and all payments made pursuant to subsection (d) of this section, and
240 (D) the balance in such account at the close of the quarter for which the
241 report is prepared. Such quarterly report shall be filed electronically
242 with the Commissioner of Revenue Services, in the manner provided
243 by chapter 228g.

244 (d) (1) On or before April 30, 2009, each deposit initiator shall pay
245 the balance outstanding in the special account that is attributable to the
246 period from December 1, 2008, to March 31, 2009, inclusive, to the
247 Commissioner of Energy and Environmental Protection for deposit in
248 the General Fund. Thereafter, the balance outstanding in the special
249 account that is attributable to the immediately preceding calendar
250 quarter shall be paid by the deposit initiator one month after the close
251 of such quarter to the Commissioner of Energy and Environmental
252 Protection for deposit in the General Fund. If the amount of the
253 required payment pursuant to this subdivision is not paid by the date
254 seven days after the due date, a penalty of ten per cent of the amount
255 due shall be added to the amount due. The amount due shall bear
256 interest at the rate of one and one-half per cent per month or fraction
257 thereof, from the due date. Any such penalty or interest shall not be
258 paid from funds maintained in the special account.

259 (2) On or before October 31, 2010, each deposit initiator shall pay the
260 balance outstanding in the special account that is attributable to the
261 period from July 1, 2010, to September 30, 2010, inclusive, to the
262 Commissioner of Revenue Services for deposit in the General Fund.
263 Subsequently, eighty per cent of the balance outstanding in the special
264 account that is attributable to the immediately preceding calendar
265 quarter shall be paid by the deposit initiator on or before the last day
266 of the month next succeeding the close of such quarter to the
267 Commissioner of Revenue Services for deposit in the General Fund. If
268 the amount of the required payment pursuant to this subdivision is not
269 paid on or before the due date, a penalty of ten per cent of the amount
270 due and unpaid, or fifty dollars, whichever is greater, shall be
271 imposed. The amount due and unpaid shall bear interest at the rate of
272 one per cent per month or fraction thereof, from the due date. Any
273 such penalty or interest shall not be paid from funds maintained in
274 such special account. Such required payment shall be made by
275 electronic funds transfer to the Commissioner of Revenue Services, in
276 the manner provided by chapter 228g.

277 (e) If moneys deposited in the special account are insufficient to pay
278 for withdrawals authorized pursuant to subsection (b) of this section,
279 the amount of such deficiency shall be subtracted from the next
280 succeeding payment or payments due pursuant to subsection (d) of
281 this section until the amount of the deficiency has been subtracted in
282 full.

283 (f) The Commissioner of Revenue Services may examine the
284 accounts and records of any deposit initiator maintained under this
285 section or sections 22a-243 to 22a-245, inclusive, as amended by this
286 act, and any related accounts and records, including receipts,
287 disbursements and such other items as the Commissioner of Revenue
288 Services deems appropriate.

289 (g) The Attorney General may, independently or upon complaint of
290 the Commissioner of Energy and Environmental Protection or the
291 Commissioner of Revenue Services, institute any appropriate action or
292 proceeding to enforce any provision of this section or any regulation
293 adopted pursuant to section 22a-245, as amended by this act, to
294 implement the provisions of this section.

295 (h) The provisions of sections 12-548, 12-550 to 12-554, inclusive, and
296 12-555a shall be deemed to apply to the provisions of this section,
297 except any provision of sections 12-548, 12-550 to 12-554, inclusive, and
298 12-555a that is inconsistent with the provision in this section.

299 (i) Any payment required pursuant to this section shall be treated as
300 a tax for purposes of sections 12-30b, 12-33a, 12-35a, 12-39g and 12-39h.

301 (j) Not later than July 1, 2010, the Department of Energy and
302 Environmental Protection or successor agency shall establish a
303 procedure that allows each such deposit initiator to take a credit
304 against any payment made pursuant to subsection (d) of this section in
305 the amount of the deposits refunded on beverage containers which
306 such deposit initiator donated for any charitable purpose.

307 Sec. 5. (NEW) (*Effective October 1, 2019*) The state shall have a

308 redemption goal of ninety per cent for beverage containers, as defined
309 in section 22a-243 of the general statutes, as amended by this act. The
310 Commissioner of Energy and Environmental Protection may develop a
311 strategy for attaining such goal. In developing any such strategy, the
312 commissioner shall consult with municipalities, dealers and
313 redemption centers, as defined in section 22a-243 of the general
314 statutes, as amended by this act. The commissioner may report to the
315 General Assembly and the Governor, from time to time, on the status
316 of the state's attainment of such goal and any legislative
317 recommendations for enabling such attainment or increasing such
318 goal.

319 Sec. 6. Section 22a-245b of the general statutes is repealed and the
320 following is substituted in lieu thereof (*Effective October 1, 2019*):

321 Any manufacturer who bottles and sells: [two] (1) Two hundred
322 fifty thousand or fewer beverage containers containing a
323 noncarbonated beverage that are twenty ounces or less in size each
324 calendar year, or (2) one hundred thousand gallons or less of juice in
325 beverage containers each calendar year, may apply to the
326 Commissioner of Energy and Environmental Protection for an
327 exemption from the requirements of sections 22a-244 to 22a-245a,
328 inclusive, as amended by this act, with regard to such beverage
329 containers containing noncarbonated beverages or with regard to such
330 one hundred thousand gallons or less of juice in beverage containers.
331 Such application shall be accompanied by a sworn affidavit signed by
332 such manufacturer or such manufacturer's authorized agent certifying
333 such manufacturer bottles and sells two hundred fifty thousand or
334 fewer of such beverage containers per calendar year or bottles and sells
335 one hundred thousand gallons or less of juice in beverage containers
336 per calendar year. Any such application filed on or before April 1,
337 2009, shall be deemed automatically approved and such exemption
338 shall remain valid until December 31, 2009. Not later than November 1,
339 2009, and each year thereafter, each such manufacturer or such
340 manufacturer's authorized agent may apply to the commissioner for an

341 exemption in accordance with this section on a form prescribed by the
342 commissioner. The commissioner shall approve each such application
343 not later than thirty days after the receipt of the application by the
344 commissioner, provided the applicant satisfies the requirements of this
345 section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2020</i>	22a-243
Sec. 2	<i>July 1, 2022</i>	22a-244
Sec. 3	<i>July 1, 2020</i>	22a-245
Sec. 4	<i>July 1, 2020</i>	22a-245a
Sec. 5	<i>October 1, 2019</i>	New section
Sec. 6	<i>October 1, 2019</i>	22a-245b

ENV *Joint Favorable Subst.*

FIN *Joint Favorable*