

Issue Brief

Connecticut's Bottle Bill

What is Connecticut's beverage container recycling law ("bottle bill")?

Connecticut's bottle bill is the law that establishes a system for recycling certain beverage containers. The system is driven by the assignment of a deposit on the containers at the time of purchase which is then returned to the consumer when the consumer brings the empty container to be recycled.

How does Connecticut's bottle bill work?

The bottle bill establishes a cycle involving transactions between distributors, retailers, and consumers. Under this cycle:

- 1. a retailer pays a beverage container distributor 10 cents for each beverage container that the distributer delivers;
- 2. a consumer pays the retailer 10 cents for each container purchased from the retailer;
- 3. the retailer or a redemption center pays the consumer 10 cents for each empty container the consumer returns;
- 4. the distributor reimburses the retailer or redemption center 10 cents for each container returned, plus a handling fee of 2.5 or 3.5 cents (depending on the container type involved); and
- the distributor pays the State of Connecticut (via the Department of Revenue Services (DRS)) a certain percentage of the unclaimed deposits which, beginning in FY 26, is based on the statewide container redemption rate (generally, <u>CGS §§ 22a-243</u> to 22a-246, as amended by PAs <u>23-1</u>, <u>23-76</u>, <u>23-204</u>, and <u>24-2</u>; related <u>regulations</u>).

Covered Container Types:

- · Beer or other malt beverages
- Hard seltzers or ciders
- Soft drinks
- Mineral and soda waters
- Waters, including flavored, nutritionally enhanced, or plant waters
- Juice and juice drinks
- Tea or coffee
- Kombucha
- Plant infused drinks
- Sports or energy drinks

It excludes wine- or spiritsbased products, medical food, and food for special dietary uses.

2024-R-0161 (updates 2019-R-0223)

What happens to unclaimed deposits under the bottle bill?

The law requires that unclaimed deposits, less any applicable bank fees, be shared by the distributors and the state's General Fund according to a specified formula. (Until FY 23, the General Fund received all unclaimed deposit funds.)

Currently (in FY 25), the unclaimed deposits are split evenly (50%) between the distributors and the state. Beginning in FY 26, the amount that must be remitted to the General Fund is tied to the average statewide beverage container redemption rate for the previous fiscal year, which the Department of Energy and Environmental Protection (DEEP) annually calculates.

State Unclaimed Deposit Revenue

The below table lists the revenue the state generated from unclaimed bottle deposits for the five most recent fiscal years for which data is available, as reported in DRS annual reports.

Table: Unclaimed Deposits Transferred to the General Fund, FYs 19 to 23

FY	Revenue				
2022-23*	\$52,584,520				
2021-22	48,258,877				
2020-21	43,505,264				
2019-20	43,650,577				
2018-19	36,099,594				

*Beginning January 1, 2023, the bottle bill applied to more containers (see <u>PA 21-58</u>, § 1), but distributors began to keep a percentage of the unclaimed deposits (5%) Sources: DRS Annual Reports, FY <u>2020-2021</u> and FY <u>2022-2023</u>

For example, that year, if the redemption rate is at least 60%, then

the division between the distributors and the state is 75%/25%. If not, it is 55%/45%. And by FY 28 (and beyond), if the redemption rate is at least 75%, the amount that must be remitted to the state is only 5%.

For more information on the treatment of unclaimed deposits, see OLR Report 2023-R-0191 ("Unclaimed Bottle Deposits").

How many other states have bottle bills?

Nine other states have bottle bills, which vary in scope and implementation. The table below identifies all the bottle bill states and their respective deposit amounts.

State	Deposit Amount	State	Deposit Amount
California	5¢ (< 24 oz)	Massachusetts	
	10¢ (≥ 24 oz)		5¢
	25¢ (wine & spirits in a box or pouch)		
Connecticut	10¢	Michigan	10¢
Hawaii	5¢	New York	5¢
lowa	5¢	Oregon	10¢
Maine	5¢	Vermont	5¢
	15¢ (wine & liquor > 50mL)		15¢ (liquor & spirits)

*Primary Source: Container Recycling Institute, Redemption Rate Summary Table of 10 US Bottle Bill States, 2024.



DEEP Bottle Bill website

"Store Obligations to Take Back Beverage Containers," OLR Report <u>2021-R-0156</u> "Bottle Bill Handling Fees," OLR Report 2022-R-0085

"Beverage Container Redemption Fraud," OLR Report <u>2024-R-0055</u>



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