



Senate

General Assembly

File No. 666

January Session, 2025

Senate Bill No. 1115

Senate, April 14, 2025

The Committee on Environment reported through SEN. LOPES of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING ENFORCEMENT OF CROSS-BORDER BOTTLE REDEMPTION PROHIBITIONS.

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

1 Section 1. Section 22a-245 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

3 (a) No person shall establish a redemption center without receiving
4 approval from and annually registering with the [commissioner]
5 Commissioner of Revenue Services on a form provided by the
6 commissioner with such information as the commissioner deems
7 necessary to approve the operation of the redemption center, including
8 (1) the name of the business principals of the redemption center and the
9 address of the business; (2) the name and address of the sponsors and
10 dealers to be served by the redemption center; (3) the types of beverage
11 containers to be accepted; (4) the hours of operation; [and] (5) whether
12 beverage containers will be accepted from consumers; (6) a floor plan
13 for such redemption center that provides for: (A) Adequate and sanitary
14 storage space, and (B) safe and sanitary loading, unloading and

15 vehicular access areas; and (7) records demonstrating sufficient financial
16 resources to operate such redemption center. The operator of the
17 redemption center shall report any change in [procedure] operations to
18 the commissioner [within] not later than forty-eight hours [of] after such
19 change. Any person establishing a redemption center shall have the
20 right to determine what kind, size and brand of beverage container shall
21 be accepted. Any redemption center may be established to serve all
22 persons or to serve certain specified dealers and shall be subject to the
23 requirements of section 22a-245a, as amended by this act, and this
24 chapter. Any redemption center that accepts more than one thousand
25 two hundred containers from any one individual in one day shall create
26 and obtain from such person a record of such person's name, the license
27 plate number of any vehicle used to transport the containers to such
28 redemption center, the collection points of the empty containers and the
29 number of containers tendered. The redemption center shall obtain from
30 such person a certification that, to the best of such person's knowledge,
31 the beverage containers were originally sold as filled beverages in this
32 state and were not previously redeemed. The Commissioner of Revenue
33 Services shall establish a reasonable annual registration fee for each
34 redemption center to be used for partial funding of examination and
35 enforcement actions authorized under this section and subsections (g)
36 and (h) of section 22a-245a, as amended by this act.

37 (b) A dealer shall not refuse to accept at such dealer's place of
38 business, from any person any empty beverage containers of the kind,
39 size and brand sold by the dealer, or refuse to pay to such person the
40 refund value of a beverage container unless (1) such container contains
41 materials which are foreign to the normal contents of the container; (2)
42 such container is not labeled in accordance with subsection (b) of section
43 22a-244; (3) such dealer sponsors, solely or with others, a redemption
44 center which is located within a one-mile radius of such place of
45 business and which accepts beverage containers of the kind, size and
46 brand sold by such dealer at such place of business; or (4) there is
47 established by others, a redemption center which is located within a
48 one-mile radius of such place of business and which accepts beverage
49 containers of the kind, size and brand sold by such dealer at such place

50 of business. A dealer shall redeem an empty container of a kind, size or
51 brand the sale of which has been discontinued by such dealer for not
52 less than sixty days after the last sale by the dealer of such kind, size or
53 brand of beverage container. Sixty days before such date, the dealer
54 shall post, at the point of sale, notice of the last date on which the
55 discontinued kind, size or brand of beverage container shall be
56 redeemed.

57 (c) A distributor shall not refuse to accept from a dealer or from an
58 operator of a redemption center, located and operated exclusively
59 within the territory of the distributor or whose operator certifies to the
60 distributor that redeemed containers were from a dealer located within
61 such territory, any empty beverage containers of the kind, size and
62 brand sold by the distributor, or refuse to pay to such dealer or
63 redemption center operator the refund value of a beverage container
64 unless such container contains materials which are foreign to the normal
65 contents of the container or unless such container is not labeled in
66 accordance with subsection (b) of section 22a-244. A distributor shall
67 remove any empty beverage container from the premises of a dealer
68 serviced by the distributor or from the premises of a redemption center
69 sponsored by dealers serviced by the distributor, provided such
70 premises are located within the territory of the distributor. No dealer or
71 redemption center shall remove any beverage container from its
72 premises or transfer such containers between premises under its control
73 before tendering such containers for removal by a distributor. The
74 distributor shall pay the refund value to dealers in accordance with the
75 schedule for payment by the dealer to the distributor for full beverage
76 containers and shall pay such refund value to operators of redemption
77 centers not more than twenty days after receipt of the empty container.
78 For the purposes of this subsection, a redemption center shall be
79 considered to be sponsored by a dealer if (1) the dealer refuses to redeem
80 beverage containers and refers consumers to the redemption center, or
81 (2) there is an agreement between the dealer and the operator of the
82 redemption center requiring the redemption center to remove empty
83 beverage containers from the premises of the dealer. A distributor shall
84 redeem an empty container of a kind, size or brand of beverage

85 container the sale of which has been discontinued by the distributor for
86 not less than one hundred fifty days after the last delivery of such kind,
87 size or brand of beverage container. Not less than one hundred twenty
88 days before the last date such containers may be redeemed, the
89 distributor shall notify such dealer who bought the discontinued kind,
90 size or brand of beverage container that such distributor shall not
91 redeem an empty beverage container of such kind, size or brand of
92 beverage containers.

93 (d) In addition to the refund value of a beverage container, a
94 distributor shall pay to any dealer or operator of a redemption center a
95 handling fee of at least two and one-half cents for each container of beer,
96 hard seltzer, hard cider or other malt beverage and three and one-half
97 cents for each beverage container of mineral waters, soda water and
98 similar carbonated soft drinks or noncarbonated beverage returned for
99 redemption. A distributor shall not be required to pay to a manufacturer
100 the refund value of a nonrefillable beverage container.

101 (e) The Commissioner of Energy and Environmental Protection shall
102 adopt regulations, in accordance with the provisions of chapter 54, to
103 implement the provisions of sections 22a-243 to 22a-245, inclusive, as
104 amended by this act. Such regulations shall include, but not be limited
105 to, provisions for the redemption of beverage containers dispensed
106 through automatic reverse vending machines, the use of vending
107 machines that reimburse consumers for the redemption value of
108 beverage containers, scheduling for redemption by dealers and
109 distributors and for exemptions or modifications to the labeling
110 requirement of section 22a-244.

111 (f) For the purposes of this section, "refund value" means the refund
112 value established by subsection (a) of section 22a-244.

113 (g) Notwithstanding the provisions of subsections (b) to (d),
114 inclusive, of this section, no person shall tender to a dealer, redemption
115 center, reverse vending machine, distributor or deposit initiator for the
116 purpose of obtaining a refund value or handling fee for any empty
117 beverage container that the person knows or has reason to know was

118 not originally sold in this state as a filled beverage container or that was
119 previously redeemed through a dealer, redemption center, reverse
120 vending machine, distributor or deposit initiator.

121 (h) Each dealer, redemption center or reverse vending machine
122 operator shall post where empty containers are redeemed a conspicuous
123 "Redemption Warning" sign using at least a one-inch font that states the
124 following: "Returning empty beverage containers for refund that were
125 not purchased in Connecticut or that were previously redeemed is
126 illegal. Any person who returns empty beverage containers that the
127 person knows or has reason to know were not originally sold in this
128 state as filled beverage containers or that were previously redeemed
129 shall be subject to fines and state enforcement action. Connecticut
130 General Statutes section 22a-245, as amended by this act.".

131 (i) Each operator of a redemption center and reverse vending
132 machine shall report monthly to the Commissioner of Energy and
133 Environmental Protection, on a form provided by the commissioner, the
134 number and type of containers such operator redeems, aggregated by
135 each town in which such operator operates and any such other
136 redemption information the commissioner deems necessary.

137 Sec. 2. Subsections (f) and (g) of section 22a-245a of the general
138 statutes are repealed and the following is substituted in lieu thereof
139 (*Effective October 1, 2025*):

140 (f) If moneys deposited in the special account are insufficient to pay
141 for withdrawals authorized pursuant to subsection (b) of this section,
142 the amount of such deficiency shall be subtracted from the next
143 succeeding payment or payments due pursuant to subsection (e) of this
144 section until the amount of the deficiency has been subtracted in full.
145 The Commissioner of Revenue Services shall remit from the General
146 Fund to a deposit initiator payment of the amount of any deficiency
147 credit accumulated by a deposit initiator plus the handling fee for each
148 container paid by the deposit initiator in excess of the number of
149 containers sold by the deposit initiator through the quarter ending June
150 30, 2025. For any calendar quarter beginning September 30, 2025, if

151 moneys deposited in the special account are insufficient to pay for
152 withdrawals authorized pursuant to subsection (b) of this section, the
153 amount of such deficiency shall not be paid by the deposit initiator to
154 the Commissioner of Revenue Services and the commissioner shall
155 remit from the General Fund, to a deposit initiator, payment of the
156 amount of the refund value plus the handling fee for each container paid
157 by the deposit initiator in excess of the number of containers sold by the
158 deposit initiator during such quarter.

159 (g) The Commissioner of Revenue Services may examine the accounts
160 and records of any deposit initiator, dealer or redemption center
161 maintained under this section or sections 22a-243 to 22a-245, inclusive,
162 as amended by this act, and any related accounts and records, including
163 receipts, disbursements and such other items as the Commissioner of
164 Revenue Services deems appropriate. The Commissioner of Revenue
165 Services may hire employees in sufficient number to carry out the
166 examination and enforcement actions authorized under this subsection
167 and subsections (a) and (h) of this section.

168 Sec. 3. Section 22a-246 of the general statutes is repealed and the
169 following is substituted in lieu thereof (*Effective October 1, 2025*):

170 Any person who violates any provision of section 22a-244, 22a-245,
171 as amended by this act, or 22a-245a, as amended by this act, shall be
172 fined not less than fifty dollars nor more than one hundred dollars, and
173 for a second offense shall be fined not less than one hundred dollars nor
174 more than two hundred dollars and for a third or subsequent offense
175 shall be fined not less than two hundred fifty dollars or more than five
176 hundred dollars. The Commissioner of Revenue Services may, after
177 notice and hearing, suspend or revoke the registration of a person
178 operating a redemption center who violates any provision of subsection
179 (a) of section 22a-245, as amended by this act, or subsection (c) of section
180 22a-245, as amended by this act, or impose a fine of not less than five
181 hundred dollars and not more than one thousand dollars for each such
182 offense. Any person aggrieved by such action of the Commissioner of
183 Revenue Services may appeal such action, in accordance with section 4-

184 183.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2025</i>	22a-245
Sec. 2	<i>October 1, 2025</i>	22a-245a(f) and (g)
Sec. 3	<i>October 1, 2025</i>	22a-246

ENV *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Department of Revenue Services	GF - Revenue Loss	8.4 million - 9.4 million	5 million - 5.5 million
Department of Revenue Services	GF - Cost	3,525,000	2,900,000
State Comptroller - Fringe Benefits ¹	GF - Cost	966,863	1,180,590
Department of Revenue Services	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill establishes (1) approval, registration, record-keeping, and reporting requirements and associated enforcement actions applicable to bottle redemption centers and (2) a compensation mechanism for deposit initiators experiencing redemption rates in excess of 100%. This results in (1) a cost to the Department of Revenue Services (DRS) of \$3,525,000 in FY 26 and \$2,900,000 in FY 27, (2) a cost to the State Comptroller Fringe Benefit account of \$966,863 in FY 26 and \$1,180,590 in FY 27, (3) a General Fund revenue loss of \$8.4 million to \$9.4 million in FY 26 and \$5 million to \$5.5 million in FY 27, and (4) a potential revenue gain beginning in FY 26.

Redemption Centers

Section 1 establishes approval, registration, record-keeping, and

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

reporting requirements for redemption centers. This results in (1) an ongoing administration cost of \$809,083 in FY 26 (partial year) and \$844,260 in FY 27 for salary (\$600,000 annualized) and fringe benefit costs (\$244,260) for five auditors and one analyst, and (2) a one-time cost of \$450,000 in FY 26 for the development of a redemption center registration database (\$350,000) and consulting costs (\$100,000).

Section 3 authorizes enforcement actions against redemption centers, which may be appealed according to the Uniform Administrative Procedure Act. This results in (1) an ongoing administration cost of \$2,110,650 in FY 26 (partial year) and \$2,814,200 in FY 27 for salaries and fringe benefits, and (2) a one-time cost of \$350,000 in FY 26 for equipment and technological updates to the CTax tax administration system.

Section 3 also establishes a fine of between \$500 and \$1,000 for each offense which results in a potential minimal General Fund revenue gain beginning in FY 26.

Finally, the bill specifies that the DRS commissioner set a reasonable annual registration fee for each redemption center to partially fund the agency's examination and enforcement actions. This results in a General Fund revenue gain of uncertain magnitude beginning as early as FY 26 to the extent such fee is implemented.

Deposit Initiators

Section 2 requires the DRS commissioner remit to deposit initiators (1) a one-time payment representing the cumulative negative balance plus the handling fee as of June 30, 2025 and (2) an ongoing amount representing the quarterly negative balance plus the handling fee beginning with the quarter ending September 30, 2025.² This results in a General Fund revenue loss ranging from \$8.4 million to \$9.4 million in FY 26 and \$5 million to \$5.5 million in FY 27.

This also results in implementation and administration costs totaling

² The handling fee ranges from 2.5 cents to 3.5 cents per bottle.

\$772,130 in FY 26 and \$422,130 in FY 27. This consists of (1) ongoing costs of \$422,130 in FY 26 and FY 27 for three accountants (\$300,000 for salary and \$122,130 in fringe benefits) and (2) a one-time cost of \$350,000 in FY 26 associated with technological updates to the CTax tax administration system, including contract costs.

The Out Years

The annualized ongoing cost impact identified above would continue into the future subject to inflation. The annualized ongoing revenue impact identified above would continue into the future subject to statewide bottle redemption rates.

OLR Bill Analysis**SB 1115*****AN ACT CONCERNING ENFORCEMENT OF CROSS-BORDER BOTTLE REDEMPTION PROHIBITIONS.*****SUMMARY**

This bill makes a number of changes to the state's beverage container redemption law ("bottle bill") that expand the state's oversight and enforcement of redemption centers. Principally, the bill:

1. requires redemption centers to be approved by, and annually register with, the Department of Revenue Services (DRS), rather than register once with the Department of Energy and Environmental Protection (DEEP) as current law requires, and expands the information they must provide as part of their registration process;
2. requires redemption centers that accept more than 1,200 containers from any one person in one day to record certain identifying information about that person;
3. adds a new monthly reporting requirement for redemption centers and reverse vending machine operators;
4. authorizes the DRS commissioner to set an annual registration fee for the centers, examine their accounts and records, and take specified enforcement actions against them for violating certain requirements under the bill and existing law; and
5. prohibits dealers and redemption centers from removing beverage containers from their premises or transferring them between premises that they control before having them removed by a distributor.

The bill also requires the DRS commissioner to compensate deposit initiators (i.e. the first distributor to collect the deposit) for deficiencies that result from them paying out more in refunds than they sold in a given quarter. It also makes minor and technical changes.

EFFECTIVE DATE: October 1, 2025

REDEMPTION CENTER REQUIREMENTS

Approval and Annual Registration

Current law requires prospective redemption center owners to register with the DEEP commissioner and provide certain information, including the business's address and hours, principals, sponsors and dealers served, and beverage containers accepted. The bill instead requires redemption centers to be approved by and register annually with DRS. It also expands the information they must provide on their registration forms to include:

1. a floor plan for the redemption center that has (a) adequate and sanitary storage space, and (b) safe and sanitary loading, unloading, and vehicular access space; and
2. records demonstrating sufficient financial resources to operate the redemption center.

The bill makes a conforming change by requiring redemption centers to report to DRS rather than DEEP on any operational changes within 48 hours after the change.

The bill requires the DRS commissioner to set a reasonable annual registration fee for each redemption center to partially fund the agency's examination and enforcement actions, as described below.

Records Required for People Redeeming More Than 1,200 Containers in One Day

The bill requires redemption centers that accept more than 1,200 containers from any one person in one day to get and record the following information for the person:

1. their name,
2. the license plate number of any vehicle used to transport the containers to the redemption center,
3. the collection points of the empty containers, and
4. the number of containers brought to the redemption center.

The redemption center must have the person certify, to the best of their knowledge, that the containers brought to the redemption center were originally sold as filled beverages in Connecticut and were not previously redeemed.

Monthly Reporting Requirement

The bill requires redemption center and reverse vending machine operators to submit monthly reports to the DEEP commissioner on (1) the number and type of containers redeemed, aggregated by town for each town in which they operate and (2) any other redemption information the commissioner finds necessary.

DRS ENFORCEMENT

Authority to Examine Records

Existing law authorizes the DRS commissioner to examine deposit initiator accounts and records and related documents, such as receipts, disbursements, and other items the DRS commissioner deems appropriate. The bill extends the commissioner's examination authority to include the accounts, records, and related documents of dealers and redemption centers. It also authorizes the commissioner to hire a sufficient number of employees to carry out the examinations and enforcement actions authorized by the bottle bill law (specifically those relating to special accounts and allowing the DEEP and DRS commissioners to file a complaint with the attorney general to institute enforcement actions).

Enforcement Actions Against Redemption Centers

The bill authorizes the DRS commissioner, after notice and a hearing,

to (1) suspend or revoke a redemption center operator's registration for certain violations or (2) impose a fine of between \$500 and \$1,000 for each offense. Under the bill, the commissioner may impose these penalties if the operator:

1. fails to get DRS approval to establish a redemption center or annually register with, and timely report operational changes, to DRS;
2. fails to keep specified records for people redeeming more than 1,200 containers in a day, as required under the bill; or
3. removes beverage containers from its premises or transfers them between premises before having them removed by a distributor, as prohibited under the bill.

Any person aggrieved by these actions may appeal according to the Uniform Administrative Procedure Act.

DEFICIENCY PAYMENTS TO DEPOSIT INITIATORS

Existing law requires deposit initiators to deposit the refund value of containers they sell into special interest-bearing bank accounts. Deposit initiators must use the funds in these special accounts to reimburse dealers and redemption centers for the refunds on redeemed containers. If a deposit initiator does not have enough money in its account in any quarter to pay these refunds, it must subtract the deficiency from its next quarterly remittance of unclaimed bottle deposits to DRS until the deficiency is completely subtracted.

The bill requires the DRS commissioner to remit to deposit initiators a payment from the General Fund equaling the (1) amount of any deficiency credit the deposit initiator accumulated plus (2) a handling fee for each container the deposit initiator paid that exceeds the number of containers it sold through June 30, 2025.

Beginning September 30, 2025, if the deposit initiator does not have enough money in its account in any quarter to pay the refunds, it must

not pay this amount to the DRS commissioner. Instead, under the bill, the DRS commissioner must pay this amount to the deposit initiator from the General Fund, plus the handling fee for each container redeemed over the number sold during the quarter.

COMMITTEE ACTION

Environment Committee

Joint Favorable

Yea 29 Nay 4 (03/24/2025)