

General Assembly

January Session, 2025

Committee Bill No. 1115

LCO No. **5325**

Referred to Committee on ENVIRONMENT

Introduced by: (ENV)

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

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

Section 1. Section 22a-245 of the general statutes is repealed and the
 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 accordance with subsection (b) of section 22a-244. A distributor shall 66 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 through automatic reverse vending machines, the use of vending 106 107 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.

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

(g) Notwithstanding the provisions of subsections (b) to (d), inclusive, of this section, no person shall tender to a dealer, redemption center, reverse vending machine, distributor or deposit initiator for the purpose of obtaining a refund value or handling fee for any empty beverage container that the person knows or has reason to know was
not originally sold in this state as a filled beverage container or that was
previously redeemed through a dealer, redemption center, reverse
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.".

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

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statutes are repealed and the following is substituted in lieu thereof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

(f) If moneys deposited in the special account are insufficient to pay 140 141 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 container paid by the deposit initiator in excess of the number of 148

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 amount of such deficiency shall not be paid by the deposit initiator to 153 154 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 by the deposit initiator in excess of the number of containers sold by the 157 deposit initiator during such quarter. 158

159 (g) The Commissioner of Revenue Services may examine the accounts and records of any deposit initiator, dealer or redemption center 160 161 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, as amended by this act, or 22a-245a, as amended by this act, shall be 171 fined not less than fifty dollars nor more than one hundred dollars, and 172 173 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 notice and hearing, suspend or revoke the registration of a person 177 operating a redemption center who violates any provision of subsection 178 179 (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 <u>hundred dollars and not more than one thousand dollars for each such</u>
- 182 offense. Any person aggrieved by such action of the Commissioner of
- 183 <u>Revenue Services may appeal such action, in accordance with section 4-</u>
- 184 <u>183.</u>

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2025	22a-245
Sec. 2	October 1, 2025	22a-245a(f) and (g)
Sec. 3	October 1, 2025	22a-246

Statement of Purpose:

To enforce the prohibition on cross-border bottle redemptions.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. LOPES, 6th Dist.

<u>S.B. 1115</u>