
OLR Bill Analysis

sHB 7271

AN ACT ESTABLISHING A WORKING GROUP TO STUDY BEVERAGE CONTAINER REDEMPTION RATES IN THE STATE AND REDUCING A FEE ON INFUSED BEVERAGE CONTAINERS.

SUMMARY

This bill reduces, from \$1 to five cents, the fee on infused beverage and legacy infused beverage containers sold by certain cannabis related dispensary facilities, hybrid retailers, and retailers. By law, these establishments must remit the fee to the Department of Consumer Protection (DCP) on each container sold during the prior six months. The funds are deposited into the consumer protection enforcement account and used to protect public health and safety, educate consumers and licensees, and ensure compliance with cannabis and liquor control laws.

Separately, the bill creates a working group to study if the amounts that deposit initiators must keep in special accounts for deposits under the state's beverage container redemption law ("bottle bill") should be adjusted. By January 1, 2026, the working group must submit a report on its findings and recommendations to the legislature.

EFFECTIVE DATE: Upon passage, except the fee reduction is effective October 1, 2025, and applicable to sales occurring on or after that date.

WORKING GROUP

Study Contents

The bill specifically requires the working group's study to include an examination of:

1. the actual redemption rates of beverage containers currently occurring across the state, to the greatest geographical detail available and determinable;

2. whether and how much the redemption rates are due to beverage containers sold out of state;
3. whether the refund value increase to 10 cents increased the redemption rate in or out of the state;
4. whether the refund value increase to 10 cents has affected the rate of sweetened beverage consumption in Connecticut and any resulting health costs or savings; and
5. if redemption rates are found to exceed the number of beverage containers sold in the state, the cost of the excess relative to the amounts deposit initiators are allowed to keep.

Under the bottle bill, the first distributor to collect the deposits on beverage containers sold in the state (i.e. “deposit initiators”) must put the deposit amount (refund value) it receives for each beverage container it sells into a special interest-bearing bank account. It must use the funds in the account to reimburse dealers and redemption centers for the deposits they refund to consumers for redeemed containers. If a deposit initiator does not have enough money in the account in any quarter to pay these refunds, it must subtract the deficiency from its next quarterly remittance of unclaimed bottle deposits to the revenue services department until the deficiency is completely subtracted (CGS §§ 22a-243 & 22a-245a).

Participants

Under the bill, the working group includes the following individuals:

1. commissioners of energy and environmental protection and revenue services, or their designees;
2. Environment and Finance, Revenue and Bonding committee chairs, vice chairs, and ranking members;
3. industry and municipal representatives of deposit initiators, redemption centers, waste management facilities, and public health agencies; and

4. any other individuals the chairs deem desirable or necessary.

Administration and First Meeting

The Finance, Revenue and Bonding Committee's administrative staff serves as the working group's administrative staff.

The bill requires the chairs of the two committees to jointly schedule the working group's first meeting and that it be held within 60 days after the bill's passage. The working group ends on the date it submits its report or January 1, 2026, whichever is later.

BACKGROUND

Definitions

By law, an "infused beverage" is a nonalcoholic beverage that (1) is intended for human consumption and (2) contains, or is advertised, labeled, or offered for sale as containing, a total THC content of three milligrams or less per container, which must be at least 12 fluid ounces (CGS §§ 21a-420 & 21a-425).

A "legacy infused beverage" is a nonalcoholic beverage that (1) is intended for human consumption and (2) contains or is advertised, labeled, or offered for sale as containing THC. It must also comply with the Responsible and Equitable Regulation of Adult-Use Cannabis Act and corresponding DCP policies, procedures, and regulations (CGS § 21a-425).

Related Bill

SB 1115 (File 666), favorably reported by the Environment; Judiciary; and Finance, Revenue and Bonding committees, makes several changes to the bottle bill, including requiring the revenue services commissioner to compensate deposit initiators for deficiencies from paying out more in deposit refunds than they collected as part of beverage sales in a given quarter.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 34 Nay 17 (04/24/2025)