
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)