
OLR Bill Analysis

SB 299

Emergency Certification

AN ACT CONCERNING REDEMPTION OF OUT-OF-STATE BEVERAGE CONTAINERS.

SUMMARY

This bill makes several changes to the state's beverage container redemption law ("bottle bill"). (The state's bottle bill generally requires a deposit to be charged on each beverage container at the time of purchase, which is then refunded to the consumer when it is redeemed at a retailer or redemption center.)

First, the bill replaces the current redemption center registration with a licensure requirement and requires license applicants to pay a \$2,500 application fee.

The bill, from April 1, 2026, and June 30, 2027, reduces the handling fee distributors pay to certain redemption centers by up to one cent if the redemption center does not use certain scanning technology to redeem beverage containers. The reduction continues beyond this time period for operations without the technology.

Among other things, the bill:

1. bans redemption centers, dealers, and distributors from accepting certain beverage containers (e.g., those damaged in a way that prevents barcode scanning, previously redeemed, or are on a list of beverages that are unavailable for sale in Connecticut);
2. reduces the (a) container redemption threshold over which redemption centers must take certain information from people redeeming containers and (b) general cap on how many containers a person may redeem in a day;

3. increases the required remittance of unclaimed bottle bill deposits to the General Fund for FY 27 if the average statewide redemption rate for FY 26 was over 60%;
4. authorizes a rebate to certain deposit initiators who reported a negative balance in their special account for the quarter ending June 30, 2026, and requires they apply the rebate to reduce this negative balance; and
5. authorizes the Department of Energy and Environmental Protection (DEEP) commissioner, in consultation with the Department of Revenue Services (DRS) commissioner, to set additional reporting requirements for deposit initiators and redemption center owners or operators beyond those required under the existing bottle bill law and the bill, must be designed to further the bottle bill law's requirements and purposes.

The bill increases the fines for violating the bottle bill's requirements to: (1) between \$500-\$750 for a first offense, (2) \$750-\$1,000 for a second offense, and (3) \$2,000 and a class A misdemeanor for any third or subsequent offense (and allows civil penalties to be brought). It also gives municipal police enforcement authority over these violations.

Lastly, the bill also makes technical and conforming changes.

EFFECTIVE DATE: Upon passage

§§ 1 & 4 — REDEMPTION CENTER LICENSURE

Under current law, a person seeking to establish or operate a redemption center must get approval to operate from, and be annually registered with, DEEP.

The bill requires, beginning July 1, 2026, registered owners of redemption centers to apply to the DEEP commissioner for a license to operate and once DEEP issues the license, their registration ends.

The bill requires the commissioner to prescribe the license application form, but it must at least request the same information as current law

requires for a registration. This specifically includes (1) the business principals' names and business address; (2) the name and address of the sponsors and dealers (e.g., retailers) the redemption center will serve; (3) the types of accepted beverage containers; (4) the operational hours; and (5) whether containers will be accepted from consumers.

Similarly starting on July 1, 2026, prospective redemption center operators who were unregistered before the bill passes must apply for a license in the same way as the registered owners.

The bill allows the commissioner to suspend the license of, or impose a civil penalty on, or both, a redemption center owner or operator who violates the bottle bill's licensure or beverage container acceptance requirements.

Redemption Center Licensing Funding

PA 25-168, § 404, established the "bottle bill escheats enforcement and assistance account" and required the Office of Policy and Management (OPM) secretary to distribute \$250,000 from the account to the State Police for enforcement of the ban on illegal bottle redemption.

The bill repeals this requirement and instead requires the OPM secretary to transfer \$250,000 from the account to DEEP for designing, implementing, and operating redemption center licensing.

§ 1 — BEVERAGE CONTAINER ACCEPTANCE

Prohibited Containers

The bill bans redemption center operators, dealers, and distributors from accepting for redemption a beverage container that (1) they know or have reason to know was not originally sold in Connecticut as a filled beverage container; (2) was previously redeemed; (3) is damaged in a way that prevents reading or scanning the barcode; or (4) is on a list of beverage containers the deposit initiator (e.g., the first distributor to collect the 10-cent container deposit) gave the redemption center or dealer, as applicable (for distributors, that the beverage container was on a list that the distributor previously gave redemption centers or dealers about containers that are unavailable for sale in Connecticut).

Volume Caps

The bill decreases the volume caps on redeeming beverage containers at redemption centers.

First, it lowers, from 2,500 to 1,000, the maximum number of beverage containers that a single person may redeem without the redemption center needing to (1) record certain information about the person redeeming the containers and (2) get a certification that the containers were originally sold as filled beverages in the state and not previously redeemed. The bill specifies that all beverage containers transported in a single vehicle must be treated as from a single person.

The bill also lowers, from 5,000, to 4,000, the maximum number of beverage containers that redemption centers may accept from a person in one day, unless it is from a nonprofit institution or verified fundraising activity.

Beverage Container Transfer and Processing

Existing law generally prohibits redemption centers from removing any beverage container from its premises, or transferring containers between premises under their control, before giving them to the distributor for removal. The distributor may, however, give written authorization for this to occur. The bill requires the redemption center owner or operator to forward these authorizations to DEEP.

The bill also bans redemption center owners and operators from using bulk bailing to process beverage containers.

Record Retention, Examination, and Reporting

Existing law requires redemption centers to keep the records of large redeemers (above the new 1,000 container threshold, see above) for at least two years. The bill also requires that these records, including the redeemer certifications, be quarterly sent to DEEP. It allows the commissioner to revoke a redemption center's license for failing to transfer the records.

The bill expands the list of entities authorized to examine a redemption center (or reverse vending machine) operator's accounts

and records (e.g., receipts or disbursements) that are kept under the bottle bill. Currently, only DEEP has this authority. The bill also gives it to the Attorney General, the Chief State's Attorney, and any state or municipal law enforcement agency.

§ 1 — HANDLING FEE

By law, distributors must pay dealers and redemption center operators, in addition to the container's refund value (i.e. the 10 cent deposit), a handling fee of 2.5 cents for each container of beer, hard seltzer, hard cider, or other malt beverage, and 3.5 cents for each container of mineral water, soda water, and similar carbonated soft drinks or other noncarbonated beverage returned for redemption.

The bill reduces, for the period of April 1, 2026, to June 30, 2027, the per container handling fee paid to certain large volume redemption centers by up to one cent. The reduction applies to redemption centers that (1) annually process an average of 50 million or more beverage containers and (2) do not use automated barcode or universal product code (UPC) scanning to redeem all beverage containers. The bill ends the reduction beginning July 1, 2027, for redemption centers that use the barcode or UPC scanning for this purpose.

For determining if the reduction applies, DEEP, in consultation with DRS, must confirm the average beverage container processing volume of redemption centers. Existing law requires redemption centers to quarterly report on how many containers they redeem.

§ 2 — UNCLAIMED BOTTLE DEPOSITS REMITTED TO GENERAL FUND FOR FY 27

By law, deposit initiators must remit a percentage of unclaimed bottle deposits to the General Fund each quarter, based on the average statewide redemption rate for the preceding fiscal year. The bill increases this required remittance for FY 27 from:

1. 5% to 25% of unclaimed deposits if the FY 26 redemption rate was 65% or more, and
2. 25% to 35% of unclaimed deposits if the FY 26 redemption rate

was greater than 60% but less than 65%.

As under existing law, the required remittance is 45% if the redemption rate was 60% or less.

§ 2 — REBATE TO ELIGIBLE DEPOSIT INITIATORS WITH NEGATIVE BALANCES

Existing law requires deposit initiators to deposit the refund value of containers they sell into special interest-bearing bank accounts and use the funds in these 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 until the deficiency is completely subtracted.

The bill authorizes a rebate to eligible deposit initiators who reported a negative balance in their special account for the quarter ending June 30, 2026, and requires they apply the rebate to reduce this negative balance.

Eligible Deposit Initiators

Under the bill, to qualify for the rebate, the deposit initiator must have (1) derived at least 80% of its FY 26 revenue from distributing beer, ale, wine, or distilled spirits and (2) properly reported a negative balance in its special account for quarter ending June 30, 2026. Eligible deposit initiators may apply for the rebate to the DRS commissioner by July 15, 2026. The commissioner must review the submitted applications by August 15, 2026, and determine which are eligible.

Rebate Amount and Claims

The bill sets the rebate amount equal to the negative balance the eligible deposit initiator properly reported for the quarter ending June 30, 2026, but requires that each rebate amount be proportionately reduced if the sum of all allowable rebates is more than 80% of the unclaimed bottle deposit revenue projected for FY 27 (based on the April 30, 2026, consensus revenue estimate).

The DRS commissioner must notify eligible deposit initiators of their

rebate amount in writing and prescribe the form they must use to claim the rebate.

§§ 1 & 3 — PENALTIES AND ENFORCEMENT

Fines and Misdemeanor Offense

The bill increases the fines for violations of bottle bill requirements, as shown in the table below. (It also allows the fine to be brought as a civil penalty through a court action by the attorney general, upon complaint of the DEEP commissioner.)

Table: Fines For Bottle Bill Violations Under Current Law and the Bill

	<i>Under Current Law</i>	<i>Under the Bill</i>
<i>First Offense</i>	\$50 - \$100	\$500 - \$750
<i>Second Offense</i>	\$100 - \$200	\$750 - \$1,000
<i>Third or Subsequent Offense</i>	\$250 - \$500	\$2,000 or more

The bill also makes someone who violates bottle bill provisions three or more times guilty of a class A misdemeanor, which is generally punishable by up to 364 days in prison.

Under the bill, municipal police officers may enforce bottle bill violations in addition to state agencies and state police officers. Any fine issued by a municipal police officer must be paid to the respective municipality.

Unfair or Deceptive Trade Practice

Existing law prohibits a person from returning a beverage container to get a refund value or handling fee for empty beverage containers if that person knows, or has reason to know, the container was not sold in Connecticut as a filled container or was previously redeemed. The bill makes any violation of this provision by dealers or redemption centers an unfair or deceptive trade practice (see BACKGROUND).

BACKGROUND

Connecticut Unfair Trade Practices Act (CUTPA)

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the Department of Consumer

Protection commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$10,000, impose civil penalties of up to \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to \$5,000 for willful violations and up to \$25,000 for a restraining order violation.