



General Assembly

**Substitute Bill No. 1289**

January Session, 2007

\* SB01289ENVF IN032207 \*

**AN ACT CONCERNING THE EXPANSION OF THE BEVERAGE  
CONTAINER REDEMPTION PROVISIONS.**

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

1 Section 1. Section 22a-243 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2008*):

3 For purposes of sections 22a-243 to 22a-245, inclusive, as amended  
4 by this act, unless the context clearly indicates otherwise:

5 (1) "Beverage" means beer or other malt beverages, [and mineral  
6 waters,] soda water and similar carbonated soft drinks in liquid form  
7 [and] intended for human consumption, including water and other  
8 noncarbonated, nonalcoholic, nondairy drinks in liquid form intended  
9 for human consumption;

10 (2) "Beverage container" means the individual, separate, sealed  
11 glass, [metal] aluminum or polyethylene terephthalate plastic bottle,  
12 can, jar or carton two liters or less in size and containing a beverage;

13 (3) "Consumer" means every person who purchases a beverage in a  
14 beverage container for use or consumption;

15 (4) "Dealer" means every person who engages in the sale of  
16 beverages in beverage containers to a consumer;

17 (5) "Distributor" means every person who engages in the sale of  
18 beverages in beverage containers to a dealer in this state including any  
19 manufacturer who engages in such sale and includes a dealer who  
20 engages in the sale of beverages in beverage containers on which no  
21 deposit has been collected prior to retail sale or where the deposit has  
22 not been initiated by the manufacturer;

23 (6) "Manufacturer" means every person bottling, canning or  
24 otherwise filling beverage containers for sale to distributors or dealers  
25 or, in the case of private label brands, the owner of the private label  
26 trademark;

27 (7) "Place of business of a dealer" means the fixed location at which  
28 a dealer sells or offers for sale beverages in beverage containers to  
29 consumers;

30 (8) "Redemption center" means any facility established to redeem  
31 empty beverage containers from consumers or to collect and sort  
32 empty beverage containers from dealers and to prepare such  
33 containers for redemption by the appropriate distributors;

34 (9) "Use or consumption" includes the exercise of any right or power  
35 over a beverage incident to the ownership thereof, other than the sale  
36 or the keeping or retention of a beverage for the purposes of sale;

37 (10) "Nonrefillable beverage container" means a beverage container  
38 which is not designed to be refilled and reused in its original shape;

39 (11) "Reverse vending machine" means an automated device that  
40 accepts beverage containers from redeemers and issues scrip for any  
41 beverage container refund value by using a laser scanner,  
42 microprocessor or other technology to recognize the Universal Product  
43 Code (UPC) or other accepted industry barcode on beverage  
44 containers to determine if the container is redeemable and that  
45 accumulates information regarding containers redeemed;

46 (12) "Off-site redemption center" means a redemption center that is

47 located within a one-mile radius of a dealer, and that accepts beverage  
48 containers of the kind, size and brand sold by such dealer at the  
49 dealer's place of business; and

50 (13) "Deposit initiator" means the first distributor or manufacturer to  
51 pay the deposit of a beverage container sold to any person within  
52 Connecticut.

53 Sec. 2. Section 22a-245 of the general statutes is repealed and the  
54 following is substituted in lieu thereof (*Effective July 1, 2007*):

55 (a) No person shall establish a redemption center without  
56 registering with the commissioner on a form provided by the  
57 commissioner with such information as the commissioner deems  
58 necessary including (1) the name of the business principals of the  
59 redemption center and the address of the business; (2) the name and  
60 address of the sponsors and dealers to be served by the redemption  
61 center; (3) the types of beverage containers to be accepted; (4) the hours  
62 of operation; and (5) whether beverage containers will be accepted  
63 from consumers. The operator of the redemption center shall report  
64 any change in procedure to the commissioner within forty-eight hours  
65 of such change. Any person establishing a redemption center shall  
66 have the right to determine what kind, size and brand of beverage  
67 container shall be accepted. Any redemption center may be established  
68 to serve all persons or to serve certain specified dealers.

69 (b) On or after July 1, 2008, private and public educational  
70 institutions and municipalities may qualify to become redemption  
71 centers upon application to the Department of Environmental  
72 Protection. Private and public educational institutions shall not be  
73 required to pay consumers the refund value of beverage containers  
74 provided the refund value of such beverage containers is collected for  
75 the benefit of such institutions.

76 [(b)] (c) A dealer shall not refuse to accept at such dealer's place of  
77 business, from any person any empty beverage containers of the kind,

78 size and brand sold by the dealer, or refuse to pay to such person the  
79 refund value of a beverage container as established by subsection (a) of  
80 section 22a-244 unless such container contains materials which are  
81 foreign to the normal contents of the container or unless such container  
82 is not labeled in accordance with subsection (b) of section 22a-244 or  
83 unless such dealer sponsors, solely or with others, a redemption center  
84 which is located within a one-mile radius of such place of business and  
85 which accepts beverage containers of the kind, size and brand sold by  
86 such dealer at such place of business or unless there is established by  
87 others, a redemption center which is located within a one-mile radius  
88 of such place of business and which accepts beverage containers of the  
89 kind, size and brand sold by such dealer at such place of business. A  
90 dealer who sponsors an off-site redemption center shall post in a  
91 conspicuous location within ten feet of the entrances and exits of such  
92 dealer's business a notice stating the name, location, hours of operation  
93 and telephone number of the off-site redemption center. A dealer shall  
94 redeem an empty container of a kind, size or brand the sale of which  
95 has been discontinued by such dealer for not less than sixty days after  
96 the last sale by the dealer of such kind, size or brand of beverage  
97 container. Sixty days before such date, the dealer shall post, at the  
98 point of sale, notice of the last date on which the discontinued kind,  
99 size or brand of beverage container shall be redeemed.

100 (d) Dealers operating a place of business of not less than seventy-  
101 five thousand square feet in size shall certify to the Department of  
102 Environmental Protection that their beverage container redemption  
103 capacity equals or exceeds seventy per cent of their sales capacity of  
104 redeemable beverage containers. Dealers with a redemption facility  
105 established or significantly expanded on or after July 1, 2007, shall  
106 locate such redemption facility not more than two hundred feet from  
107 the business' main entrance. Dealers with a redemption facility  
108 established prior to July 1, 2007, where such redemption facility is  
109 located more than two hundred feet from the business' main entrance  
110 shall post notices stating the location of such redemption facility not  
111 more than ten feet from the business' entrances and exits.

112        [(c)] (e) A distributor shall not refuse to accept from a dealer or from  
113 an operator of a redemption center, located and operated exclusively  
114 within the territory of the distributor or whose operator certifies to the  
115 distributor that redeemed containers were from a dealer located within  
116 such territory, any empty beverage containers of the kind, size and  
117 brand sold by the distributor, or refuse to pay to such dealer or  
118 redemption center operator the refund value of a beverage container as  
119 established by subsection (a) of section 22a-244 unless such container  
120 contains materials which are foreign to the normal contents of the  
121 container or unless such container is not labeled in accordance with  
122 subsection (b) of section 22a-244. A distributor shall remove any empty  
123 beverage container from the premises of a dealer serviced by the  
124 distributor or from the premises of a redemption center sponsored by  
125 dealers serviced by the distributor, provided such premises are located  
126 within the territory of the distributor, not later than seven business  
127 days after notification by the dealer that empty beverage containers are  
128 available for removal. The dealer shall sort such beverage containers  
129 by kind, size and brand prior to removal, unless the beverage  
130 container was redeemed through a reverse vending machine. Any  
131 distributor who requires empty beverage containers that are not  
132 redeemed through a reverse vending machine to be packaged for  
133 removal in bags, cartons or other containers shall provide each dealer  
134 or redemption center a sufficient number of bags, cartons or other  
135 containers at no cost to the dealer or redemption center. The bags,  
136 cartons, or other containers shall be provided by the distributor on a  
137 schedule that allows the dealer or redemption center sufficient time to  
138 sort the empty beverage containers prior to removal by the distributor.  
139 The distributor shall provide the necessary staff or equipment for the  
140 removal of the empty beverage containers. A distributor shall not  
141 require empty beverage containers to be counted at a location other  
142 than the redemption center or dealer's place of business. The dealer or  
143 operator of the redemption center shall have the right to be present at  
144 the count. The distributor or manufacturer shall pay the refund value  
145 to dealers in accordance with the schedule for payment by the dealer  
146 to the distributor for full beverage containers and shall pay such

147 refund value to operators of redemption centers not more than twenty  
148 days after receipt of the empty container unless such refund value has  
149 already been paid by the manufacturer. For the purposes of this  
150 subsection, a redemption center shall be considered to be sponsored by  
151 a dealer if (1) the dealer refuses to redeem beverage containers and  
152 refers consumers to the redemption center, or (2) there is an agreement  
153 between the dealer and the operator of the redemption center  
154 requiring the redemption center to remove empty beverage containers  
155 from the premises of the dealer. A distributor shall redeem an empty  
156 container of a kind, size or brand of beverage container the sale of  
157 which has been discontinued by the distributor for not less than one  
158 hundred fifty days after the last delivery of such kind, size or brand of  
159 beverage container. Not less than one hundred twenty days before the  
160 last date such containers may be redeemed, the distributor shall notify  
161 such dealer who bought the discontinued kind, size or brand of  
162 beverage container that such distributor shall not redeem an empty  
163 beverage container of such kind, size or brand of beverage containers.

164 (f) Each redemption center or a dealer receiving a refund value  
165 pursuant to subsection (e) of this section shall provide sufficient  
166 information to the distributor in order to enable the distributor to  
167 fulfill the requirements of this section. Such information shall include,  
168 but not be limited to: The redemption center or dealer name and  
169 address, the number of beverage containers redeemed, the total  
170 amount of deposits paid by the dealer and the amount of the handling  
171 fee collected per beverage container. A dealer or redemption center  
172 who has multiple locations shall provide such information for each  
173 individual location. Each dealer or redemption center shall grant a  
174 distributor reasonable access to such dealers' or redemption centers'  
175 business premises to allow inspection of distributors beverage  
176 containers. A redemption center or dealer who uses reverse vending  
177 machines to redeem beverage containers shall use only reverse  
178 vending machines that have been certified as accurate by an  
179 independent certified public accountant not later than the preceding  
180 twelve months. Dealers and redemption centers shall take reasonable

181 measures to ensure that they redeem only beverage containers that  
182 were purchased in Connecticut.

183 [(d)] (g) In addition to the refund value of a beverage container as  
184 provided in subsection (a) of section 22a-244, a distributor shall pay to  
185 any dealer or operator of a redemption center a handling fee of at least  
186 one and one-half cents for each container of beer or other malt  
187 beverage and two cents for each container of mineral waters, soda  
188 water and similar carbonated soft drinks returned for redemption. A  
189 distributor shall not be required to pay to a manufacturer the refund  
190 value of a nonrefillable beverage container.

191 [(e)] (h) The Commissioner of Environmental Protection shall adopt  
192 regulations, in accordance with the provisions of chapter 54, to  
193 implement the provisions of sections 22a-243 to 22a-245, inclusive, as  
194 amended by this act. Such regulations shall include, but not be limited  
195 to, provisions for the redemption of beverage containers dispensed  
196 through automatic vending machines, the use of vending machines  
197 which dispense cash to consumers for redemption of beverage  
198 containers, scheduling for redemption by dealers and distributors and  
199 for exemptions or modifications to the labeling requirement of section  
200 22a-244.

201 Sec. 3. (NEW) (*Effective October 1, 2008, and applicable to sales*  
202 *occurring on or after October 1, 2008*) Each deposit initiator shall submit  
203 a report for the immediately preceding calendar quarter, and one  
204 month after the close of each calendar quarter thereafter, to the  
205 Commissioner of Revenue Services, on a form prescribed by the  
206 commissioner and with such information the commissioner deems  
207 necessary, including, but not limited to: (1) A list of all refund values  
208 paid to the deposit initiator; (2) the number of beverage containers  
209 sold; and (3) a list of all refund values paid by the deposit initiator.

210 Sec. 4. (NEW) (*Effective July 1, 2008, and applicable to sales occurring on*  
211 *or after July 1, 2008*) (a) If in any calendar year the total annual refund  
212 value paid by a deposit initiator, in accordance with subsection (e) of

213 section 22a-245 of the general statutes, as amended by this act, exceeds  
 214 the total annual refund value collected by such deposit initiator, the  
 215 difference between the total paid and the total collected shall be  
 216 allowed as a credit against the sales and use tax liability that is  
 217 incurred by the deposit initiator under chapter 219 of the general  
 218 statutes. For the purposes of this section, the total annual refund value  
 219 shall be determined in accordance with subsection (a) of section 22a-  
 220 244 of the general statutes and section 22a-245 of the general statutes,  
 221 as amended by this act, and "deposit initiator" shall have the same  
 222 meaning as in section 22a-243 of the general statutes, as amended by  
 223 this act.

224 (b) The Commissioner of Revenue Services may adopt regulations,  
 225 in accordance with the provisions of chapter 54 of the general statutes,  
 226 which prescribe the procedures for the deposit initiator to claim a  
 227 credit under this section.

228 Sec. 5. Subsection (g) of section 22a-245 of the general statutes, as  
 229 amended by section 2 of this act, is repealed and the following is  
 230 substituted in lieu thereof (*Effective October 1, 2007*):

231 (g) In addition to the refund value of a beverage container as  
 232 provided in subsection (a) of section 22a-244, a distributor shall pay to  
 233 any dealer or operator of a redemption center a handling fee of at least  
 234 [one and one-half cents for each container of beer or other malt  
 235 beverage and two] three cents for each beverage container [of mineral  
 236 waters, soda water and similar carbonated soft drinks] returned for  
 237 redemption. A distributor shall not be required to pay to a  
 238 manufacturer the refund value of a nonrefillable beverage container.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008</i>	22a-243
Sec. 2	<i>July 1, 2007</i>	22a-245

Sec. 3	<i>October 1, 2008, and applicable to sales occurring on or after October 1, 2008</i>	New section
Sec. 4	<i>July 1, 2008, and applicable to sales occurring on or after July 1, 2008</i>	New section
Sec. 5	<i>October 1, 2007</i>	22a-245(g)

**ENV**

**Joint Favorable Subst. C/R**

**FIN**