



General Assembly

**Substitute Bill No. 1289**

January Session, 2007

\* SB01289FIN 041007 \*

**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 Section 22a-243 of the general statutes is repealed and the  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"] "Carbonated beverage" means beer or other malt  
6 beverages, [and mineral waters,] soda water and similar carbonated  
7 soft drinks in liquid form and intended for human consumption;

8 (2) "Noncarbonated beverage" means water and other  
9 noncarbonated, nonalcoholic, nondairy drinks in liquid form intended  
10 for human consumption, excluding liquid that is (A) a syrup, (B) in  
11 concentrated form, (C) a minor flavoring ingredient for food or drink,  
12 such as extracts, cooking additives, sauces or condiments but  
13 excluding juice, or (D) a seafood, meat or vegetable broth or soup;

14 [(2)] (3) "Beverage container" means the individual, separate, sealed  
15 glass, [metal] aluminum or polyethylene terephthalate plastic bottle,  
16 can, jar or carton (A) two liters or less in size if containing a carbonated  
17 beverage, and (B) twenty ounces or less in size if containing a

18 noncarbonated beverage;

19 [(3)] (4) "Consumer" means every person who purchases a beverage  
20 in a beverage container for use or consumption;

21 [(4)] (5) "Dealer" means every person who engages in the sale of  
22 beverages in beverage containers to a consumer;

23 [(5)] (6) "Distributor" means every person who engages in the sale of  
24 beverages in beverage containers to a dealer in this state including any  
25 manufacturer who engages in such sale and includes a dealer who  
26 engages in the sale of beverages in beverage containers on which no  
27 deposit has been collected prior to retail sale or where the deposit has  
28 not been initiated by the manufacturer;

29 [(6)] (7) "Manufacturer" means every person bottling, canning or  
30 otherwise filling beverage containers for sale to distributors or dealers  
31 or, in the case of private label brands, the owner of the private label  
32 trademark;

33 [(7)] (8) "Place of business of a dealer" means the fixed location at  
34 which a dealer sells or offers for sale beverages in beverage containers  
35 to consumers;

36 [(8)] (9) "Redemption center" means any facility established to  
37 redeem empty beverage containers from consumers or to collect and  
38 sort empty beverage containers from dealers and to prepare such  
39 containers for redemption by the appropriate distributors;

40 [(9)] (10) "Use or consumption" includes the exercise of any right or  
41 power over a beverage incident to the ownership thereof, other than  
42 the sale or the keeping or retention of a beverage for the purposes of  
43 sale;

44 [(10)] (11) "Nonrefillable beverage container" means a beverage  
45 container which is not designed to be refilled and reused in its original  
46 shape;

47 (12) "Reverse vending machine" means an automated device that  
48 accepts beverage containers from redeemers and issues scrip for any  
49 beverage container refund value by using a laser scanner,  
50 microprocessor or other technology to recognize the Universal Product  
51 Code (UPC) or other accepted industry barcode on beverage  
52 containers to determine if the container is redeemable and that  
53 accumulates information regarding containers redeemed;

54 (13) "Off-site redemption center" means a redemption center that is  
55 located within a one-mile radius of a dealer, and that accepts beverage  
56 containers of the kind, size and brand sold by such dealer at the  
57 dealer's place of business; and

58 (14) "Deposit initiator" means the first distributor or manufacturer to  
59 pay the deposit of a beverage container sold to any person within  
60 Connecticut.

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

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

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

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

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

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

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

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

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

184 [(d)] (f) In addition to the refund value of a beverage container as  
185 provided in subsection (a) of section 22a-244, on and after October 1,  
186 2007, a distributor shall pay to any dealer or operator of a redemption  
187 center a handling fee of at least [one and one-half] three cents for each  
188 beverage container [of beer or other malt beverage and two cents for  
189 each container of mineral waters, soda water and similar carbonated  
190 soft drinks] returned for redemption. A distributor shall not be  
191 required to pay to a manufacturer the refund value of a nonrefillable  
192 beverage container.

193 [(e)] (g) The Commissioner of Environmental Protection shall adopt  
194 regulations, in accordance with the provisions of chapter 54, to  
195 implement the provisions of sections 22a-243 to 22a-245, inclusive, as  
196 amended by this act. Such regulations shall include, but not be limited  
197 to, provisions for the redemption of beverage containers dispensed  
198 through automatic vending machines, the use of vending machines  
199 which dispense cash to consumers for redemption of beverage  
200 containers, scheduling for redemption by dealers and distributors and  
201 for exemptions or modifications to the labeling requirement of section  
202 22a-244.

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

212 Sec. 4. (NEW) (*Effective January 1, 2008, and applicable to income years*  
213 *commencing on or after January 1, 2008*) (a) If in any calendar year the

214 total annual refund value paid by a deposit initiator, in accordance  
 215 with subsection (d) of section 22a-245 of the general statutes, as  
 216 amended by this act, exceeds the total annual refund value collected by  
 217 such deposit initiator, the difference between the total paid and the  
 218 total collected shall be allowed as a credit against the corporation  
 219 business tax liability that is incurred by the deposit initiator under  
 220 chapter 208 of the general statutes. For the purposes of this section, the  
 221 total annual refund value shall be determined in accordance with  
 222 subsection (a) of section 22a-244 of the general statutes and section 22a-  
 223 245 of the general statutes, as amended by this act, and "deposit  
 224 initiator" shall have the same meaning as in section 22a-243 of the  
 225 general statutes, as amended by this act.

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

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>January 1, 2008, and applicable to sales occurring on or after January 1, 2008</i>	New section
Sec. 4	<i>January 1, 2008, and applicable to income years commencing on or after January 1, 2008</i>	New section

**ENV**      *Joint Favorable Subst. C/R*

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**FIN**      *Joint Favorable Subst.*