AN ACT CONCERNING COMPOSTING FACILITIES FOR COMMERCIAL FOOD RESIDUALS AND THE ACCOUNTING SYSTEM FOR REDEEMED BEVERAGE CONTAINERS.

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

Section 1. Section 22a-260 of the general statutes is amended by adding subdivision (26) as follows (Effective October 1, 2010):

(NEW) (26) "Composting facility" means land, appurtenances and structures where materials from another process or location are recovered using a process of accelerated biological decomposition of organic material under controlled conditions to produce a marketable product.

Sec. 2. (NEW) (Effective October 1, 2010) Not later than six months after the establishment of service in the state by two or more permitted composting facilities, as defined in section 22a-207 of the general statutes, that have a combined available capacity to service the discarded food residual needs of commercial food wholesalers or distributors, industrial food manufacturers or processors, supermarkets, or resorts or conference centers that each generate an average volume of not less than one hundred four tons per year of discarded food residuals, each wholesaler or distributor, industrial food manufacturer or processor, supermarket, or resort or conference center that generates an average volume of not less than one hundred
four tons per year of discarded food residuals shall: (1) Separate such materials from other solid waste, and (2) ensure that such discarded food residuals are recycled at a permitted composting facility provided such composting facility is not more than thirty miles from such wholesaler, distributor, industrial food manufacturer or processor, supermarket, or resort or conference center, as applicable. Any such wholesaler, distributor, industrial food manufacturer or processor, supermarket, or resort or conference center that establishes an on-site composting facility shall be deemed in compliance with the provisions of this section.

Sec. 3. Subsection (e) of section 22a-245 of the 2010 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2010):

(e) [(1)] The Commissioner of Environmental Protection shall adopt regulations, in accordance with the provisions of chapter 54, to implement the provisions of sections 22a-243 to [22a-245a] 22a-245, inclusive, as amended by this act. Such regulations shall include, but not be limited to, provisions for the redemption of beverage containers dispensed through automatic vending machines, the use of vending machines that dispense cash to consumers for redemption of beverage containers, scheduling for redemption by dealers and distributors and for exemptions or modifications to the labeling requirement of section 22a-244.

[(2) The regulations adopted pursuant to subdivision (1) of this subsection shall also include provisions creating a prescribed accounting system for the reimbursement of the refund value for a redeemed beverage container. The commissioner shall adopt written policies and procedures to implement the provisions creating such prescribed accounting system while in the process of adopting such policies and procedures in regulation form, and the commissioner shall print a notice of intention to adopt the regulations in the Connecticut Law Journal not later than twenty days prior to implementing such policies and procedures. The commissioner shall submit final
regulations to implement such policies and procedures to the
legislative regulation review committee not later than May 1, 2009,
unless a later date is approved by a majority vote of the members
present of said committee. Policies and procedures implemented
pursuant to this subdivision shall be valid until (A) May 1, 2009, or, if
applicable, the later date approved by said committee pursuant to this
subdivision, or (B) the time that the proposed final regulations are
adopted or disapproved by said committee, whichever is earlier.]  

Sec. 4. Section 22a-245a of the 2010 supplement to the general
statutes is repealed and the following is substituted in lieu thereof
(Effective July 1, 2010):

(a) Each deposit initiator shall open a special interest-bearing
account at a Connecticut branch of a financial institution, as defined in
section 45a-557a, to the credit of the deposit initiator. Each deposit
initiator shall deposit in such account an amount equal to the refund
value established pursuant to subsection (a) of section 22a-244, for each
beverage container sold by such deposit initiator. Such deposit shall be
made not more than one month after the date such beverage container
is sold, provided for any beverage container sold during the period
from December 1, 2008, to December 31, 2008, inclusive, such deposit
shall be made not later than January 5, 2009. All interest, dividends
and returns earned on the special account shall be paid directly into
such account. Such moneys shall be kept separate and apart from all
other moneys in the possession of the deposit initiator. The amount
required to be deposited pursuant to this section, when deposited,
shall be held to be a special fund in trust for the state.

(b) (1) Any reimbursement of the refund value for a redeemed
beverage container shall be paid from the deposit initiator's special
account, with such payment to be computed, subject to the provisions
of subdivision (2) of this subsection, under the cash receipts and
disbursements method of accounting, as described in Section 446(c)(1)
of the Internal Revenue Code of 1986, or any subsequent
corresponding Internal Revenue Code of the United States, as
amended from time to time. [Upon the Commissioner of Environmental Protection’s adoption of written policies and procedures establishing an accounting system under section 22a-245, any such reimbursement shall be paid in the manner prescribed in such policies and procedures until the adoption of final regulations under said section 22a-245. Upon the adoption of such regulations, any such reimbursement shall be paid in accordance with such regulations.]

(2) A deposit initiator may petition the Commissioner of Revenue Services for an alternate method of accounting by filing with such deposit initiator's return a statement of objections and other proposed alternate method of accounting, as such deposit initiator believes proper and equitable under the circumstances that is accompanied by supporting details and proof. The Commissioner of Revenue Services shall promptly notify such deposit initiator whether the proposed alternate method is accepted as reasonable and equitable and, if so, accepted, shall adjust such deposit initiator's return, and payment of reimbursement, accordingly.

(c) (1) Each deposit initiator shall submit a report on March 15, 2009, for the period from December 1, 2008, to February 28, 2009, inclusive. Each deposit initiator shall submit a report on July 31, 2009, for the period from March 1, 2009, to June 30, 2009, inclusive, and thereafter shall submit a quarterly report for the immediately preceding calendar quarter one month after the close of such quarter. Each such report shall be submitted to the Commissioner of Environmental Protection, on a form prescribed by the commissioner and with such information as the commissioner deems necessary, including, but not limited to:

[(1) (A)] (A) The balance in the special account at the beginning of the quarter for which the report is prepared; [(2)] (B) a list of all deposits credited to such account during such quarter, including all refund values paid to the deposit initiator and all interest, dividends or returns received on the account; [(3)] (C) a list of all withdrawals from such account during such quarter, all service charges and overdraft
charges on the account and all payments made pursuant to subsection (d) of this section; and [(4)] (D) the balance in the account at the close of the quarter for which the report is prepared.

(2) Each deposit initiator shall submit a report on October 31, 2010, for the calendar quarter beginning July 1, 2010. Subsequently, each deposit initiator shall submit a quarterly report for the immediately preceding calendar quarter, on or before the last day of the month next succeeding the close of such quarter. Each such report shall be submitted to the Commissioner of Revenue Services, on a form prescribed by the commissioner, and with such information as the commissioner deems necessary, including, but not limited to, the following information: (A) The balance in the special account at the beginning of the quarter for which the report is prepared, (B) all deposits credited to such account during such quarter, including all refund values paid to the deposit initiator and all interest, dividends or returns received on such account, (C) all withdrawals from such account during such quarter, including all service charges and overdraft charges on such account and all payments made pursuant to subsection (d) of this section, and (D) the balance in such account at the close of the quarter for which the report is prepared. Such quarterly report shall be filed electronically with the Commissioner of Revenue Services, in the manner provided by chapter 228g.

(d) (1) On or before April 30, 2009, each deposit initiator shall pay the balance outstanding in the special account that is attributable to the period from December 1, 2008, to March 31, 2009, inclusive, to the Commissioner of Environmental Protection for deposit in the General Fund. Thereafter the balance outstanding in the special account that is attributable to the immediately preceding calendar quarter shall be paid by the deposit initiator one month after the close of such quarter to the Commissioner of Environmental Protection for deposit in the General Fund. If the amount of the required payment pursuant to this [subsection] subdivision is not paid by the date seven days after the due date, a penalty of ten per cent of the amount due shall be added to
the amount due. The amount due shall bear interest at the rate of one 151
and one-half per cent per month or fraction thereof, from the due date. 152
Any such penalty or interest shall not be paid from funds maintained 153
in the special account.

(2) On or before October 31, 2010, each deposit initiator shall pay the 155
balance outstanding in the special account that is attributable to the 156
period from July 1, 2010, to September 30, 2010, inclusive, to the 157
Commissioner of Revenue Services for deposit in the General Fund. 158
Subsequently, the balance outstanding in the special account that is 159
attributable to the immediately preceding calendar quarter shall be 160
paid by the deposit initiator on or before the last day of the month next 161
succeeding the close of such quarter to the commissioner for deposit in 162
the General Fund. If the amount of the required payment pursuant to 163
this subdivision is not paid on or before the due date, a penalty of ten 164
per cent of the amount due and unpaid, or fifty dollars, whichever is 165
greater, shall be imposed. The amount due and unpaid shall bear 166
interest at the rate of one per cent per month or fraction thereof, from 167
the due date. Any such penalty or interest shall not be paid from funds 168
maintained in such special account. Such required payment shall be 169
made by electronic funds transfer to the commissioner, in the manner 170
provided by chapter 228g.

(e) If moneys deposited in the special account are insufficient to pay 172
for withdrawals authorized pursuant to subsection (b) of this section, 173
the amount of such deficiency shall be subtracted from the next 174
succeeding payment or payments due pursuant to subsection (d) of 175
this section until the amount of the deficiency has been subtracted in 176
full.

(f) The [State Treasurer may, independently or upon request of the 178
commissioner,] Commissioner of Revenue Services may examine the 179
accounts and records of any deposit initiator maintained under this 180
section or sections 22a-243 to 22a-245, inclusive, as amended by this 181
act, and any related accounts and records, including receipts, 182
disbursements and such other items as the [State Treasurer]
commissioner deems appropriate.

(g) The Attorney General may, independently or upon complaint of the [commissioner] Commissioner of Environmental Protection or the Commissioner of Revenue Services, institute any appropriate action or proceeding to enforce any provision of this section or any regulation adopted pursuant to section 22a-245, as amended by this act, to implement the provisions of this section.

(h) The provisions of sections 12-548, 12-550 to 12-554, inclusive, and section 12-555a shall be deemed to apply to the provisions of this section, except any provision of sections 12-548, 12-550 to 12-554, inclusive, and section 12-555a that is inconsistent with the provision in this section.

(i) Any payment required pursuant to this section shall be treated as a tax for purposes of sections 12-30b, 12-33a, 12-35a, 12-39g and 12-39h.

Sec. 5. (NEW) (Effective July 1, 2010) The Commissioner of Revenue Services, in consultation with the Commissioner of Environmental Protection, may adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement the provisions of section 22a-245a of the general statutes, as amended by this act.

This act shall take effect as follows and shall amend the following sections:

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<tr>
<th>Section</th>
<th>Date</th>
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<tbody>
<tr>
<td>1</td>
<td>October 1, 2010</td>
<td>22a-260</td>
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<tr>
<td>2</td>
<td>October 1, 2010</td>
<td>New section</td>
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<tr>
<td>3</td>
<td>July 1, 2010</td>
<td>22a-245(e)</td>
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<td>4</td>
<td>July 1, 2010</td>
<td>22a-245a</td>
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<td>5</td>
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ENV Joint Favorable Subst. C/R FIN