



General Assembly

Amendment

January Session, 2021

LCO No. 9725



Offered by:

SEN. COHEN, 12th Dist.

REP. GRESKO, 121st Dist.

To: Subst. Senate Bill No. 1037

File No. 562

Cal. No. 322

"AN ACT CONCERNING SOLID WASTE MANAGEMENT."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 22a-243 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective January 1, 2023*):

5 For purposes of sections 22a-243 to 22a-245c, inclusive, as amended
6 by this act:

7 (1) "Carbonated beverage" means beer or other malt beverages, hard
8 seltzer, hard cider and mineral waters, soda water and similar
9 carbonated soft drinks in liquid form and intended for human
10 consumption;

11 (2) "Noncarbonated beverage" means any water, including flavored
12 water, plant water, nutritionally enhanced water, juice, juice drink, tea,
13 coffee, kombucha, plant infused drink, sports drink or energy drink and

14 any beverage that is identified through the use of letters, words or
15 symbols on such beverage's product label as a type of water, juice, tea,
16 coffee, kombucha, plant infused drink, sports drink or energy drink but
17 excluding [juice and] mineral water;

18 (3) "Beverage container" means the individual, separate, sealed glass,
19 metal or plastic bottle, can, jar or carton containing [a carbonated or
20 noncarbonated beverage, but does not include a bottle, can, jar or carton
21 (A)] three liters or [more in size if containing a noncarbonated] less of a
22 carbonated beverage, or [(B) made of high-density polyethylene] two
23 and one-half liters or less of a noncarbonated beverage. "Beverage
24 container" does not include any such bottle, can, jar or carton that
25 contains one hundred fifty milliliters or less of any such carbonated or
26 noncarbonated beverage;

27 (4) "Consumer" means every person who purchases a beverage in a
28 beverage container for use or consumption;

29 (5) "Dealer" means every person who engages in the sale of beverages
30 in beverage containers to a consumer;

31 (6) "Distributor" means every person who engages in the sale of
32 beverages in beverage containers to a dealer in this state including any
33 manufacturer who engages in such sale and includes a dealer who
34 engages in the sale of beverages in beverage containers on which no
35 deposit has been collected prior to retail sale;

36 (7) "Manufacturer" means every person bottling, canning or
37 otherwise filling beverage containers for sale to distributors or dealers
38 or, in the case of private label brands, the owner of the private label
39 trademark;

40 (8) "Place of business of a dealer" means the fixed location at which a
41 dealer sells or offers for sale beverages in beverage containers to
42 consumers;

43 (9) "Redemption center" means any facility established to redeem

44 empty beverage containers from consumers or to collect and sort empty
45 beverage containers from dealers and to prepare such containers for
46 redemption by the appropriate distributors;

47 (10) "Use or consumption" includes the exercise of any right or power
48 over a beverage incident to the ownership thereof, other than the sale or
49 the keeping or retention of a beverage for the purposes of sale;

50 (11) "Nonrefillable beverage container" means a beverage container
51 which is not designed to be refilled and reused in its original shape;
52 [and]

53 (12) "Deposit initiator" means the first distributor to collect the
54 deposit on a beverage container sold to any person within this state; and

55 (13) "Reverse vending machine" means a mechanical device that
56 accepts used beverage containers from consumers and provides a
57 means of refunding the refund value for such beverage container to the
58 user of such device.

59 Sec. 2. Section 22a-244 of the general statutes is repealed and the
60 following is substituted in lieu thereof (*Effective January 1, 2024*):

61 (a) (1) Every beverage container containing a carbonated beverage
62 sold or offered for sale in this state, except for any such beverage
63 containers sold or offered for sale for consumption on an interstate
64 passenger carrier, shall have a refund value. Such refund value shall not
65 be less than [five] ten cents and shall be a uniform amount throughout
66 the distribution process in this state. (2) Every beverage container
67 containing a noncarbonated beverage sold or offered for sale in this state
68 shall have a refund value, except for beverage containers containing a
69 noncarbonated beverage that are (A) sold or offered for sale for
70 consumption on an interstate passenger carrier, or (B) that comprise any
71 dealer's existing inventory as of March 31, 2009. Such refund value shall
72 not be less than [five] ten cents and shall be a uniform amount
73 throughout the distribution process in this state.

74 (b) Every beverage container sold or offered for sale in this state, that
75 has a refund value pursuant to subsection (a) of this section, shall clearly
76 indicate by embossing or by a stamp or by a label or other method
77 securely affixed to the beverage container (1) either the refund value of
78 the container or the words "return for deposit" or "return for refund" or
79 other words as approved by the Department of Energy and
80 Environmental Protection, and (2) either the word "Connecticut" or the
81 abbreviation "Ct.", provided this subdivision shall not apply to glass
82 beverage containers permanently marked or embossed with a brand
83 name.

84 (c) No person shall sell or offer for sale in this state any metal
85 beverage container (1) a part of which is designed to be detached in
86 order to open such container, or (2) that is connected to another
87 beverage container by a device constructed of a material which does not
88 decompose by photodegradation, chemical degradation or
89 biodegradation within a reasonable time after exposure to the elements.

90 (d) On and after January 1, 2024, each beverage container sold or
91 offered for sale in this state that has a refund value pursuant to
92 subsection (a) of this section, shall include a Universal Product Code
93 and barcode. Each deposit initiator shall provide such Universal
94 Product Code and barcode, with packaging information, to the reverse
95 vending machine system administrators and other system operators,
96 not less than thirty days prior to placement of any such beverage
97 container on the market.

98 Sec. 3. Section 22a-245 of the general statutes is repealed and the
99 following is substituted in lieu thereof (*Effective October 1, 2021*):

100 (a) No person shall establish a redemption center without registering
101 with the commissioner on a form provided by the commissioner with
102 such information as the commissioner deems necessary including (1) the
103 name of the business principals of the redemption center and the
104 address of the business; (2) the name and address of the sponsors and
105 dealers to be served by the redemption center; (3) the types of beverage

106 containers to be accepted; (4) the hours of operation; and (5) whether
107 beverage containers will be accepted from consumers. The operator of
108 the redemption center shall report any change in procedure to the
109 commissioner within forty-eight hours of such change. Any person
110 establishing a redemption center shall have the right to determine what
111 kind, size and brand of beverage container shall be accepted. Any
112 redemption center may be established to serve all persons or to serve
113 certain specified dealers.

114 (b) A dealer shall not refuse to accept at such dealer's place of
115 business, from any person any empty beverage containers of the kind,
116 size and brand sold by the dealer, or refuse to pay to such person the
117 refund value of a beverage container unless (1) such container contains
118 materials which are foreign to the normal contents of the container; (2)
119 such container is not labeled in accordance with subsection (b) of section
120 22a-244, as amended by this act; (3) such dealer sponsors, solely or with
121 others, a redemption center which is located within a one-mile radius of
122 such place of business and which accepts beverage containers of the
123 kind, size and brand sold by such dealer at such place of business; or (4)
124 there is established by others, a redemption center which is located
125 within a one-mile radius of such place of business and which accepts
126 beverage containers of the kind, size and brand sold by such dealer at
127 such place of business. A dealer shall redeem an empty container of a
128 kind, size or brand the sale of which has been discontinued by such
129 dealer for not less than sixty days after the last sale by the dealer of such
130 kind, size or brand of beverage container. Sixty days before such date,
131 the dealer shall post, at the point of sale, notice of the last date on which
132 the discontinued kind, size or brand of beverage container shall be
133 redeemed.

134 (c) A distributor shall not refuse to accept from a dealer or from an
135 operator of a redemption center, located and operated exclusively
136 within the territory of the distributor or whose operator certifies to the
137 distributor that redeemed containers were from a dealer located within
138 such territory, any empty beverage containers of the kind, size and
139 brand sold by the distributor, or refuse to pay to such dealer or

140 redemption center operator the refund value of a beverage container
141 unless such container contains materials which are foreign to the normal
142 contents of the container or unless such container is not labeled in
143 accordance with subsection (b) of section 22a-244, as amended by this
144 act. A distributor shall remove any empty beverage container from the
145 premises of a dealer serviced by the distributor or from the premises of
146 a redemption center sponsored by dealers serviced by the distributor,
147 provided such premises are located within the territory of the
148 distributor. The distributor shall pay the refund value to dealers in
149 accordance with the schedule for payment by the dealer to the
150 distributor for full beverage containers and shall pay such refund value
151 to operators of redemption centers not more than twenty days after
152 receipt of the empty container. For the purposes of this subsection, a
153 redemption center shall be considered to be sponsored by a dealer if (1)
154 the dealer refuses to redeem beverage containers and refers consumers
155 to the redemption center, or (2) there is an agreement between the dealer
156 and the operator of the redemption center requiring the redemption
157 center to remove empty beverage containers from the premises of the
158 dealer. A distributor shall redeem an empty container of a kind, size or
159 brand of beverage container the sale of which has been discontinued by
160 the distributor for not less than one hundred fifty days after the last
161 delivery of such kind, size or brand of beverage container. Not less than
162 one hundred twenty days before the last date such containers may be
163 redeemed, the distributor shall notify such dealer who bought the
164 discontinued kind, size or brand of beverage container that such
165 distributor shall not redeem an empty beverage container of such kind,
166 size or brand of beverage containers.

167 (d) In addition to the refund value of a beverage container, a
168 distributor shall pay to any dealer or operator of a redemption center a
169 handling fee of at least [one] two and one-half cents for each container
170 of beer, hard seltzer, hard cider or other malt beverage and [two] three
171 and one-half cents for each beverage container of mineral waters, soda
172 water and similar carbonated soft drinks or noncarbonated beverage
173 returned for redemption. A distributor shall not be required to pay to a

174 manufacturer the refund value of a nonrefillable beverage container.

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

185 (f) For the purposes of this section, "refund value" means the refund
186 value established by subsection (a) of section 22a-244, as amended by
187 this act.

188 Sec. 4. Section 22a-245a of the general statutes is repealed and the
189 following is substituted in lieu thereof (*Effective July 1, 2021*):

190 (a) Each deposit initiator shall open a special interest-bearing account
191 at a Connecticut branch of a financial institution, as defined in section
192 45a-557a, to the credit of the deposit initiator. Each deposit initiator shall
193 deposit in such account an amount equal to the refund value established
194 pursuant to subsection (a) of section 22a-244, as amended by this act, for
195 each beverage container sold by such deposit initiator. Such deposit
196 shall be made not more than one month after the date such beverage
197 container is sold, provided for any beverage container sold during the
198 period from December 1, 2008, to December 31, 2008, inclusive, such
199 deposit shall be made not later than January 5, 2009. All interest,
200 dividends and returns earned on the special account shall be paid
201 directly into such account. Such moneys shall be kept separate and apart
202 from all other moneys in the possession of the deposit initiator. The
203 amount required to be deposited pursuant to this section, when
204 deposited, shall be held to be a special fund in trust for the state.

205 (b) (1) Any reimbursement of the refund value for a redeemed

206 beverage container shall be paid from the deposit initiator's special
207 account, with such payment to be computed, subject to the provisions
208 of subdivision (2) of this subsection, under the cash receipts and
209 disbursements method of accounting, as described in Section 446(c)(1)
210 of the Internal Revenue Code of 1986, or any subsequent corresponding
211 Internal Revenue Code of the United States, as amended from time to
212 time.

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

223 (c) (1) Each deposit initiator shall submit a report on March 15, 2009,
224 for the period from December 1, 2008, to February 28, 2009, inclusive.
225 Each deposit initiator shall submit a report on July 31, 2009, for the
226 period from March 1, 2009, to June 30, 2009, inclusive, and thereafter
227 shall submit a quarterly report for the immediately preceding calendar
228 quarter one month after the close of such quarter. Each such report shall
229 be submitted to the Commissioner of Energy and Environmental
230 Protection, on a form prescribed by the commissioner and with such
231 information as the commissioner deems necessary, including, but not
232 limited to: (A) The balance in the special account at the beginning of the
233 quarter for which the report is prepared; (B) a list of all deposits credited
234 to such account during such quarter, including all refund values paid to
235 the deposit initiator and all interest, dividends or returns received on
236 the account; (C) a list of all withdrawals from such account during such
237 quarter, all service charges and overdraft charges on the account and all
238 payments made pursuant to subsection (d) of this section; and (D) the
239 balance in the account at the close of the quarter for which the report is

240 prepared.

241 (2) Each deposit initiator shall submit a report on October 31, 2010,
242 for the calendar quarter beginning July 1, 2010. Subsequently, each
243 deposit initiator shall submit a quarterly report for the immediately
244 preceding calendar quarter, on or before the last day of the month next
245 succeeding the close of such quarter. Each such report shall be
246 submitted to the Commissioner of Revenue Services, on a form
247 prescribed by the Commissioner of Revenue Services, and with such
248 information as the Commissioner of Revenue Services deems necessary,
249 including, but not limited to, the following information: (A) The balance
250 in the special account at the beginning of the quarter for which the
251 report is prepared, (B) all deposits credited to such account during such
252 quarter, including all refund values paid to the deposit initiator and all
253 interest, dividends or returns received on such account, (C) all
254 withdrawals from such account during such quarter, including all
255 service charges and overdraft charges on such account and all payments
256 made pursuant to subsection (d) of this section, and (D) the balance in
257 such account at the close of the quarter for which the report is prepared.
258 Such quarterly report shall be filed electronically with the
259 Commissioner of Revenue Services, in the manner provided by chapter
260 228g.

261 (d) (1) On or before April 30, 2009, each deposit initiator shall pay the
262 balance outstanding in the special account that is attributable to the
263 period from December 1, 2008, to March 31, 2009, inclusive, to the
264 Commissioner of Energy and Environmental Protection for deposit in
265 the General Fund. Thereafter, the balance outstanding in the special
266 account that is attributable to the immediately preceding calendar
267 quarter shall be paid by the deposit initiator one month after the close
268 of such quarter to the Commissioner of Energy and Environmental
269 Protection for deposit in the General Fund. If the amount of the required
270 payment pursuant to this subdivision is not paid by the date seven days
271 after the due date, a penalty of ten per cent of the amount due shall be
272 added to the amount due. The amount due shall bear interest at the rate
273 of one and one-half per cent per month or fraction thereof, from the due

274 date. Any such penalty or interest shall not be paid from funds
275 maintained in the special account.

276 (2) On or before October 31, 2010, each deposit initiator shall pay the
277 balance outstanding in the special account that is attributable to the
278 period from July 1, 2010, to September 30, 2010, inclusive, to the
279 Commissioner of Revenue Services for deposit in the General Fund.
280 Subsequently, for the fiscal year ending June 30, 2023, ninety-five per
281 cent of the balance outstanding in the special account that is attributable
282 to the immediately preceding calendar quarter shall be paid by the
283 deposit initiator on or before the last day of the month next succeeding
284 the close of such quarter to the Commissioner of Revenue Services for
285 deposit in the General Fund, for the fiscal year ending June 30, 2024,
286 sixty-five per cent of the balance outstanding in the special account that
287 is attributable to the immediately preceding calendar quarter shall be
288 paid by the deposit initiator on or before the last day of the month next
289 succeeding the close of such quarter to the Commissioner of Revenue
290 Services for deposit in the General Fund, for the fiscal year ending June
291 30, 2025, fifty-five per cent of the balance outstanding in the special
292 account that is attributable to the immediately preceding calendar
293 quarter shall be paid by the deposit initiator on or before the last day of
294 the month next succeeding the close of such quarter to the
295 Commissioner of Revenue Services for deposit in the General Fund and
296 for the fiscal year ending June 30, 2026, and each subsequent fiscal year
297 thereafter, seventy-three per cent of the balance outstanding in the
298 special account that is attributable to the immediately preceding
299 calendar quarter shall be paid by the deposit initiator on or before the
300 last day of the month next succeeding the close of such quarter to the
301 Commissioner of Revenue Services for deposit in the General Fund. If
302 the amount of the required payment pursuant to this subdivision is not
303 paid on or before the due date, a penalty of ten per cent of the amount
304 due and unpaid, or fifty dollars, whichever is greater, shall be imposed.
305 The amount due and unpaid shall bear interest at the rate of one per cent
306 per month or fraction thereof, from the due date. Any such penalty or
307 interest shall not be paid from funds maintained in such special account.

308 Such required payment shall be made by electronic funds transfer to the
309 Commissioner of Revenue Services, in the manner provided by chapter
310 228g.

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

316 (f) The Commissioner of Revenue Services may examine the accounts
317 and records of any deposit initiator maintained under this section or
318 sections 22a-243 to 22a-245, inclusive, as amended by this act, and any
319 related accounts and records, including receipts, disbursements and
320 such other items as the Commissioner of Revenue Services deems
321 appropriate.

322 (g) The Attorney General may, independently or upon complaint of
323 the Commissioner of Energy and Environmental Protection or the
324 Commissioner of Revenue Services, institute any appropriate action or
325 proceeding to enforce any provision of this section or any regulation
326 adopted pursuant to section 22a-245, as amended by this act, to
327 implement the provisions of this section.

328 (h) The provisions of sections 12-548, 12-550 to 12-554, inclusive, and
329 12-555a shall be deemed to apply to the provisions of this section, except
330 any provision of sections 12-548, 12-550 to 12-554, inclusive, and 12-555a
331 that is inconsistent with the provision in this section.

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

334 (j) Not later than July 1, 2010, the Department of Energy and
335 Environmental Protection or successor agency shall establish a
336 procedure that allows each such deposit initiator to take a credit against
337 any payment made pursuant to subsection (d) of this section in the
338 amount of the deposits refunded on beverage containers which such

339 deposit initiator donated for any charitable purpose.

340 Sec. 5. Section 22a-245b of the general statutes is repealed and the
341 following is substituted in lieu thereof (*Effective July 1, 2021*):

342 Any manufacturer who bottles and sells: ~~[two]~~ (1) Two hundred fifty
343 thousand or fewer beverage containers containing a noncarbonated
344 beverage that are twenty ounces or less in size each calendar year, or (2)
345 one hundred thousand gallons or less of juice in beverage containers
346 each calendar year, may apply to the Commissioner of Energy and
347 Environmental Protection for an exemption from the requirements of
348 sections 22a-244 to 22a-245a, inclusive, as amended by this act, with
349 regard to such beverage containers containing noncarbonated
350 beverages or with regard to such one hundred thousand gallons or less
351 of juice in beverage containers. Such application shall be accompanied
352 by a sworn affidavit signed by such manufacturer or such
353 manufacturer's authorized agent certifying such manufacturer bottles
354 and sells two hundred fifty thousand or fewer of such beverage
355 containers per calendar year or bottles and sells one hundred thousand
356 gallons or less of juice in beverage containers per calendar year. Any
357 such application filed on or before April 1, 2009, shall be deemed
358 automatically approved and such exemption shall remain valid until
359 December 31, 2009. Not later than November 1, 2009, and each year
360 thereafter, each such manufacturer or such manufacturer's authorized
361 agent may apply to the commissioner for an exemption in accordance
362 with this section on a form prescribed by the commissioner. The
363 commissioner shall approve each such application not later than thirty
364 days after the receipt of the application by the commissioner, provided
365 the applicant satisfies the requirements of this section.

366 Sec. 6. (NEW) (*Effective July 1, 2021*) Not later than July 1, 2022, the
367 Commissioner of Energy and Environmental Protection shall develop
368 an incentive program to assist municipalities that wish to adopt a unit-
369 based pricing program for solid waste disposal in such municipality.
370 The commissioner shall identify funding sources to be utilized in
371 providing such incentives to municipalities.

372 Sec. 7. (NEW) (*Effective October 1, 2021*) (a) On and after October 1,
373 2021, any dealer, as defined in section 22a-243 of the general statutes, as
374 amended by this act, whose place of business is part of a chain engaged
375 in the same general field of business that operates ten or more units in
376 this state under common ownership and whose business has not less
377 than seven thousand square feet devoted to the display of merchandise
378 for sale to the public shall install and maintain not less than two reverse
379 vending machines, as defined in section 22a-243 of the general statutes,
380 as amended by this act, at such dealer's place of business.

381 (b) The requirements of subsection (a) of this section to install and
382 maintain reverse vending machines shall not apply to any dealer that:
383 (1) Sells only beverage containers, as defined in section 22a-243 of the
384 general statutes, as amended by this act, of twenty ounces or less where
385 such beverage containers are packaged in quantities fewer than six; (2)
386 sells beverage containers and devotes no more than five per cent of the
387 dealer's floor space to the display and sale of consumer products; or (3)
388 obtains a waiver from the Commissioner of Energy and Environmental
389 Protection authorizing dealers to provide consumers with an alternative
390 technology that: (A) Determines if the beverage container is redeemable,
391 (B) provides protections against fraud through a system that validates
392 each beverage container redeemed by reading the universal product
393 code and, except with respect to refillable containers, renders the
394 beverage container unredeemable, (C) accumulates information
395 regarding beverage containers redeemed, and (D) issues legal tender, or
396 a scrip, receipt or other form of credit for the refund value, that can be
397 exchanged for legal tender for a period of not less than sixty days
398 without requiring the purchase of other goods. If such alternative
399 technology does not allow consumers to immediately obtain the refund
400 value of the redeemed beverage container, a dealer shall be permitted
401 to deploy such alternative technology only if such dealer also offers an
402 alternative that allows consumers to conveniently and immediately
403 obtain such refund value through a reverse vending machine or other
404 alternative method.

405 (c) For any dealer exempt from the provisions of subsection (a) of this

406 section and whose place of business is not less than forty thousand
407 square feet but does not utilize reverse vending machines to process
408 empty beverage containers for redemption shall: (1) Establish and
409 maintain a dedicated area within such business to accept beverage
410 containers for redemption; (2) adequately staff such area to facilitate
411 efficient acceptance and processing of such containers during business
412 hours; and (3) post one or more conspicuous signs at each public
413 entrance to the business that describes where in the business the
414 redemption area is located.

415 (d) Any dealer who violates the provisions of this section shall be
416 fined not more than one thousand dollars, and an additional civil
417 penalty of not more than one thousand dollars for each day during
418 which each such violation continues. Any such civil penalty may be
419 assessed by the Commissioner of Energy and Environmental Protection
420 following a hearing held in accordance with chapter 54 of the general
421 statutes.

422 Sec. 8. (NEW) (*Effective from passage*) The Department of Energy and
423 Environmental Protection shall develop the terms for a memorandum
424 of agreement that provides, by January 1, 2023, for the in-state
425 processing of not less than eighty per cent of the wine and liquor
426 beverage containers sold in this state into furnace-ready cullet or by-
427 product that is melted or otherwise used in cement, glass or fiberglass
428 products. In developing such terms, the department shall identify the
429 requisite parties to such an agreement and engage such parties in
430 ongoing discussions concerning the establishment of systems and
431 methods, pursuant to such an agreement, for the cost-effective and
432 consumer-oriented state-wide collection of such containers that will
433 yield sufficiently clean and acceptable containers for the owner or
434 operator of any such facility to be used in producing such cullet or by-
435 product. Such memorandum of agreement shall include, but not be
436 limited to, provisions that delineate and assign responsibility among the
437 parties for: (1) Establishing and implementing such collection systems
438 and methods, (2) transporting collected containers to any such facility,
439 (3) properly recycling and managing any containers not accepted by any

440 such facility, (4) executing any financial obligations among the parties
441 pursuant to such agreement, (5) recordkeeping of volume, tonnage and
442 categories of containers processed, annually, pursuant to such
443 agreement, and (6) auditing costs, efficiencies and benefits of such
444 agreement. Not later than January 15, 2022, the Commissioner of Energy
445 and Environmental Protection shall submit a draft of such
446 memorandum of agreement to the joint standing committee of the
447 General Assembly having cognizance of matters relating to the
448 environment.

449 Sec. 9. (NEW) (Effective from passage) (a) The Commissioner of
450 Energy and Environmental Protection shall approve the formation of a
451 beverage container stewardship organization constituted by deposit
452 initiators if such organization submits an application to the
453 commissioner that demonstrates such organization meets the following
454 criteria: (1) The organization is established and operated as an
455 organization described in section 501(c)(3) of the Internal Revenue Code
456 of 1986, as amended from time to time, and is exempt from taxation
457 under said section, (2) the governing board of such organization consists
458 of deposit initiators that represent the range of beverages and beverage
459 container materials subject to the state's beverage container redemption
460 program, and (3) such organization demonstrates that it has adequate
461 financial responsibility and financial controls in place, including fraud
462 prevention measures and an audit schedule, to ensure proper
463 management of funds.

464 (b) All deposit initiators shall register with and join any beverage
465 container stewardship organization approved pursuant to subsection
466 (a) of this section not later than three months after such organization's
467 approval by the commissioner. Any deposit initiator that wishes to
468 initiate the sale of beverage containers in the state after such three-
469 month period elapses shall register and join such organization not less
470 than ninety days prior to selling beverage containers in the state.

471 (c) On or before July 1, 2022, any organization approved pursuant to
472 subsection (a) of this section shall submit a plan, for the commissioner's

473 review and approval, to operate a state-wide beverage container
474 stewardship program, as described in this subsection. Such plan shall
475 demonstrate, in detail, how such organization will operate and finance
476 a program to provide for the redemption and recycling of beverage
477 containers in the state, including, but not limited to: (1) Achieving and
478 exceeding an annual redemption rate of eighty per cent by a specified
479 timeline, (2) achieving financial self-sustainability, (3) achieving
480 verifiable performance metrics for enhanced customer satisfaction with
481 the beverage container redemption system, (4) adopting policies and
482 making investments to ensure that recovered materials are returned to
483 their highest and best use, (5) providing a detailed description of how
484 existing collection and redemption centers throughout the state are to
485 be utilized as part of such beverage container stewardship program, (6)
486 disclosing applicable rates of redemption as of the time of such plan and
487 those projected over the next five years under the proposed beverage
488 container stewardship program and the recommended refund value for
489 such containers that is necessary to achieve such redemption rates, (7)
490 identifying how the plan will yield costs to the state or any participant
491 of said program, (8) specifying revenues that escheat to the state
492 pursuant to said beverage container stewardship program and any
493 projected diminishment in the state's use or collection of such revenues
494 in the next five fiscal years beginning July 1, 2022, (9) identifying any
495 legislative changes necessary to carry out such plan, and (10) any other
496 parameters or requirements specified by the commissioner.

497 (d) Not later than October 1, 2022, the Commissioner of Energy and
498 Environmental Protection shall submit recommendations to the joint
499 standing committee of the General Assembly having cognizance of
500 matters relating to the environment concerning any plan submitted
501 pursuant to subsection (c) of this section.

502 Sec. 10. (NEW) (*Effective October 1, 2021*) (a) Notwithstanding any
503 provision of the general statutes, on and after October 1, 2021, any
504 beverage container containing a spirit or liquor of fifty milliliters or less
505 shall be assessed a five-cent surcharge by the wholesaler of such
506 beverage container to the retailer of such beverage container and by the

507 retailer of such beverage container to the consumer of such beverage
 508 container. Any surcharge transaction described in this section shall be
 509 distinct and clearly identify the surcharge from the price of such
 510 beverage container and shall not be subject to any sales tax or treated as
 511 income pursuant to any provision of the general statutes.

512 (b) The payment of said surcharge by a retailer shall be a debt of a
 513 retailer upon purchase from any such wholesaler and shall be subject to
 514 all posting requirements in the event of delinquency.

515 (c) On April 1, 2022, and every six months thereafter, payment shall
 516 be remitted by each wholesaler to every municipality where any such
 517 beverage container was sold during the preceding six-month period by
 518 such wholesaler. Such payment shall be at the rate of five cents for every
 519 such beverage container sold within such municipality by such
 520 wholesaler. Concomitant with any payment made by a wholesaler to a
 521 municipality pursuant to this subsection, such wholesaler shall file a
 522 report with the Department of Revenue Services and the Department of
 523 Consumer Protection's Liquor Control Division, detailing the number of
 524 such beverage containers sold in each municipality by such wholesaler
 525 in the preceding six-month period.

526 (d) All payments received by any municipality pursuant to the
 527 provisions of subsection (c) of this section shall be expended by such
 528 municipality on environmental measures intended to reduce the
 529 generation of solid waste in such municipality or reduce the impact of
 530 litter caused by such solid waste, including, but not limited to, the hiring
 531 of a recycling coordinator, the installation of storm drain filters designed
 532 to block solid waste and beverage container debris or the purchase of a
 533 mechanical street sweeper, vacuum or broom that removes litter,
 534 including, but not limited to, such beverage containers and other debris
 535 from streets, sidewalks and abutting lawn and turf areas."

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2023	22a-243

Sec. 2	<i>January 1, 2024</i>	22a-244
Sec. 3	<i>October 1, 2021</i>	22a-245
Sec. 4	<i>July 1, 2021</i>	22a-245a
Sec. 5	<i>July 1, 2021</i>	22a-245b
Sec. 6	<i>July 1, 2021</i>	New section
Sec. 7	<i>October 1, 2021</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 10	<i>October 1, 2021</i>	New section