



For a thriving New England

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**Testimony before the
Committee on Environment and Natural Resources Nora Bosworth
Conservation Law Foundation May 15, 2023**

RE: Testimony in Support of LD 1909 – An Act to Modernize Maine’s Beverage Container Redemption Law

Good morning Senator Brenner, Representative Gramlich, and members of the Environment and Natural Resources Committee

My name is Nora Bosworth, and I am a Staff Attorney for the Conservation Law Foundation’s (“CLF”) Zero Waste Project. CLF’s Zero Waste Project works to identify and address polluting and unsustainable waste management practices while promoting proven and effective solutions such as source reduction, reuse, recycling and composting. These goals are the same solutions outlined in Maine’s solid waste hierarchy.¹

CLF enthusiastically supports LD 1909, An Act to Modernize Maine’s Beverage Container Redemption Law. This bill recognizes the urgency of stabilizing Maine’s most successful recycling program through streamlining the program, reclaiming “unclaimed deposits” to fund improvements, and reducing waste and increasing recycling rates.

The benefits of Bottle Bill systems are now well familiar. States with container deposit laws recycle aluminum, PET plastic, and glass materials at almost twice the rate of recycling as states that do not.² States that have Bottle Bills on average see beverage container litter drop by 70 to 84%.³ Bottle return systems result in cleaner recycling streams, which means materials can be recycled more effectively, more safely and for a higher value.⁴ Container redemption systems are straightforward environmental solutions that consistently produce results. Our bottle return system has been our most effective recycling program to date and a model for other states.

Despite Maine’s Bottle Bill’s historic success, our system has begun to falter and our state’s exemplary redemption rates are falling. In 2013, Mainers redeemed 90% of the redeemable containers, in 2017 this rate went down to 84% which was still one of the highest in the nation, and more recently in 2020 this rate had dropped to 76%.⁵ One of the reasons these rates are dropping is that the redemption centers charged with

¹ 38 M.R.S.A. 2101

² Susan Collins, 2019 Beverage Market Data Analysis, Container Recycling Institute, available at https://www.container-recycling.org/index.php?option=com_content&view=article&id=730&Itemid=1372

³ *Id.*

⁴ Elizabeth Balkan, Waste Dive, Deposit Return Systems are a Key Part of Solving the Plastic Paradox, March 29, 2021, available at <https://www.wastedive.com/news/deposit-return-systems-solution-plastic-reloop/597277/>

⁵ Redemption Rates and Other Features of 10 U.S. State Deposit Programs, Container Recycling Institute, available at https://www.container-recycling.org/images/Allstates/10_States_Summary_and_Notes_July_2022.pdf and [Notes_July_2022.pdf](https://www.container-recycling.org/images/Allstates/10_States_Summary_and_Notes_July_2022.pdf) (container-recycling.org)



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receiving, sorting, and returning the containers to the beverage manufacturers, are suffering hardship⁶ The Department of Environmental Protection reported that the number of active redemption center licenses had fallen from 374 at the end of 2019, to 328 in July, 2022⁷ Redemption centers are struggling for a few reasons, but a big one is they have become increasingly strained by the costs of sorting over 700 brands⁸ LD 1909 will get to the heart of this problem by requiring all beverage producers to enter into a commingling cooperative whereby their products must be sorted by material and size, not brand

LD 1909 provides many critical updates to the bottle return system, but for the purposes of my testimony I will be focusing on one in particular—the earmarking of unclaimed deposits to fund improvements in the container redemption system

Unclaimed deposits (also called “abandoned” or “unredeemed” deposits) are those deposits that consumers do not redeem for a refund, this may be because they recycled their containers through curbside recycling, or because they littered them or threw them in the trash Under the bottle return system, beverage distributors are required to collect small deposits (usually a nickel or dime) on certain beverage containers This means a beverage manufacturer collects the initial deposit from the retailer for each beverage container sold to the retailer The retailer is reimbursed when the consumer purchases the beverage and pays the deposit The consumer is reimbursed when she drops her drink container off at a redemption center, and the redemption center is reimbursed by the beverage manufacturer for each redeemed container But when consumers choose *not* to redeem their used drink containers for the deposit, that deposit stays with the initial holder—the beverage manufacturer

In theory, in Maine all unclaimed deposits escheat to the state, *except* those deposits on containers that are part of a distributor commingling agreement In practice, this means that out of an annual average of \$16.7 million dollars in unclaimed deposits each year, an estimated \$13.2 million goes to the big beverage companies, while the remaining \$3.5 million goes to the state’s General Fund⁹ LD 1909 would therefore direct an estimated \$16.7 million dollars a year in consumer funds to maintain and improve the Bottle Bill program through investments in infrastructure, education, administration, and reuse and refill initiatives

Out of the ten states with container redemption systems, Maine is an outlier in the amount of unclaimed monies that the big beverage companies get to keep Most states use all or the majority of the unclaimed deposits to fund their own bottle return system or other environmental programs Vermont, for instance, directs the millions accumulated from their unclaimed deposit to their Clean Water Fund to reduce water pollution And just last week, the Vermont Senate passed a modernization bill that would eventually give 50%

⁶ Ross Ketschfke, Dozens of Maine Bottle Redemption Centers Close amid Pandemic, Inflation, WMTW News, available at <https://www.wmtw.com/article/dozens-of-maine-bottle-redemption-centers-close-amid-pandemic-inflation/40862788>

⁷ *Id.*

⁸ Scott Wilson, Department of Environmental Protection, *Testimony in Support of LD 134*, March 29, 2023

⁹ Sarah Nichols, Natural Resources Council of Maine, 2023 Bottle Bill Facts, available at <https://www.nrcm.org/wp-content/uploads/2023/02/2023-bottle-bills-facts.pdf>, DEP, 2023 Annual Product Stewardship Report, available at <https://www.maine.gov/dep/publications/reports/index.html>



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of the unclaimed deposits to a Solid Waste Management Fund to invest in the upkeep and improvement of solid waste programs, including the bottle return system¹⁰ 75% of Maryland’s unclaimed deposits go to their state’s Cleanup and Redevelopment Trust Fund¹¹ Since 2009, New York State requires 80% of unclaimed deposits to be deposited in the State’s General Fund¹² Massachusetts currently has all their unclaimed deposits go toward the state’s General Budget, but the modernization bill they are now trying to pass would create a fund strictly for solid waste management and environmental protection, to which all the unclaimed monies would be allocated¹³ In Connecticut, the American Beverage Association has been doggedly pursuing 100% of the unredeemed deposits, but for now the majority still goes to the state’s General Fund¹⁴ The bottle return systems in California, Hawaii, and Oregon—while varying in their structure—all direct 100% of their unclaimed deposits to managing and improving their redemption systems

Recent attempts to pass a national Bottle Bill have included the provision that unredeemed deposits would all go towards funding the costs of the bottle bill system¹⁵ Moreover, national non-profits who have drafted model bottle bills to be adopted by new states have earmarked the unredeemed deposits for investment in reuse and refill initiatives, ensuring that the distributors only see any of the windfall if there is a 95% redemption rate reached, (higher than any state currently attains)¹⁶

Paying the beverage industry with the monies of unredeemed containers creates a perverse incentive if redemption rates falter, they are rewarded In effect, we are incentivizing the beverage industry to recycle less, not more The beverage industry is already keeping revenue from the sale of scrap container materials (aluminum, plastic and glass) as well as the “float” (deposits collected from retailers that can be invested for short-term returns), unclaimed deposits are tax-free, windfall profits for the industry The funds should be reinvested into strengthening and improving the bottle return system, and LD 1909 will do just that

LD 1909 will direct these millions of dollars of unredeemed deposits to investing in the administration, education, technology, and other costs of the bottle bill program, including efforts to move toward more reuse and refill initiatives This funding will ensure that the bottle return system continues to incorporate state-of-the-art reverse vending technology, that consumers, retailers and redemption centers become increasingly educated on both the updated program and reuse and refill projects, and that better data reporting is achieved

¹⁰ H 158, An Act Relating to the Beverage Container Redemption System, 2023-2024 Session, Vermont General Assembly

¹¹ Department of Environment, Great Lakes, and Energy, FAQs, Bottle Deposit Law, available at

[https://www.michigan.gov/egle/faqs/recycling/bottle-deposit-](https://www.michigan.gov/egle/faqs/recycling/bottle-deposit-law#~:text=The%20Michigan%20Bottle%20Deposit%20Law%20escheat%20(unclaimed%20deposits%20that%20revert,is%20returned%20to%20the%20retailers)

[law#~:text=The%20Michigan%20Bottle%20Deposit%20Law%20escheat%20\(unclaimed%20deposits%20that%20revert,is%20returned%20to%20the%20retailers](https://www.michigan.gov/egle/faqs/recycling/bottle-deposit-law#~:text=The%20Michigan%20Bottle%20Deposit%20Law%20escheat%20(unclaimed%20deposits%20that%20revert,is%20returned%20to%20the%20retailers)

¹² Office of the New York State Comptroller, Controls Over Unclaimed Bottle Deposits, Dec 19, 2017, available at

<https://www.osc.state.ny.us/state-agencies/audits/2017/12/19/controls-over-unclaimed-bottle-deposits>

¹³ H 3690, An Act to Expand the Bottle Bill, 193rd Session, Massachusetts Legislature

¹⁴ Susan Collins, Container Recycling Institute, Testimony in Opposition to SB 1236, April 19, 2023, Kristen Miller, CT Office of Legislative Research, Unclaimed Bottle Deposits, July 13, 2022, available at <https://www.cga.ct.gov/2022/rpt/pdf/2022-R-0125.pdf>

¹⁵ Marissa Heffernan, Resource Recycling, National Bottle Bill Likely to Land in Congress Soon, Feb 8, 2022, available at <https://resource-recycling.com/recycling/2022/02/08/national-bottle-bill-likely-to-land-in-congress-soon/>

¹⁶ Just Zero, Model Beverage Container Recycling Act or “Bottle Bill”, available at <https://just-zero.org/wp-content/uploads/2022/12/Model-Beverage-Container-Recycling-Act-Dec-2022-1.pdf>



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The earmarking for refill and reuse activities and pilot projects is of particular importance. As an example, in 2018, Oregon implemented its existing Bottle Bill infrastructure to introduce a refillable bottle program throughout the state. The bottles are collected and sent to a cleaning facility before being returned to the participating breweries for refilling. With a circulation of over two million bottles, consumers have a wide selection of over 100 beverage options in refillable bottles, created by nearly a dozen local beverage producers.¹⁷ Given the thriving craft beer and cider industry in Maine, it is an excellent place to test a similar refillable program. The environmental and economic benefits of reuse and refill systems far outweigh those of recycling.¹⁸

While supporting LD 1909, CLF strongly encourages the following amended language to give the bill its intended effect. Specifically, page 14, lines 20-21 should read, “The cooperative *shall* expend unclaimed deposit amounts for *all* the following purposes.” Without this wording, the list of accepted uses of unclaimed deposits will merely be a menu of investment options, and certain loftier goals, such as supporting reuse and refill activities, may be ignored. To realize actual change, this legislation must mandate how the commingling cooperative expend its unclaimed deposit funds.

In sum, the reallocation of unclaimed consumer deposits will ensure that the bottle return system thrives in the long-term and brings us that much closer to a circular economy. It will ensure that our deposit system once again represents the “gold standard” of bottle bills, and that we do not wind up before the legislature again in a couple years, seeking another update. The Bottle Bill is Maine’s most successful recycling program, I urge this Committee to adopt the above amendment and invest in our Bottle Bill by voting LD 1909 favorably.

Respectfully submitted,

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¹⁷ Cassandra Profita, NPR, Oregon Launches First Statewide Refillable Bottle System in U.S., Sept. 17, 2018, available at <https://www.npr.org/sections/thesalt/2018/09/17/645548896/oregon-launches-first-statewide-refillable-bottle-system-in-u-s>

¹⁸ Miriam Gordon, Upstream, Reuse Wins, available at <https://drive.google.com/file/d/1opgKG9Xr63-vIT-yTlhMp85-PZz6ltgf/view>