



129th MAINE LEGISLATURE

LD 248

LR 109(05)

An Act To Increase the Handling Fee for Beverage Containers Reimbursed to Redemption Centers

Fiscal Note for Bill as Engrossed with:

C "A" (S-20)

S "A" (S-56) to C "A" (S-20)

Committee: Environment and Natural Resources

Fiscal Note

	FY 2018-19	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Appropriations/Allocations					
State Alcoholic Beverage Fund	\$17,562	\$171,396	\$248,564	\$271,180	\$296,746

Fiscal Detail and Notes

This bill removes from existing law a reduction of one-half cent per returned beverage container in the reimbursement paid by the initiator of deposit to dealers and local redemption centers under the state bottle redemption program if the container is subject to a commingling agreement beginning May 1, 2019. The bill also increases the cost of handling reimbursement paid per returned beverage container paid by the initiator of deposit to dealers and local redemption centers by one-half cent beginning January 1, 2020. Since the Bureau of Alcoholic Beverages and Lottery Operations (BABLO) functions as the initiator of deposit for all spirits sold in Maine, the increase in the reimbursement rates will require an additional allocation from the Alcoholic Beverages Fund of \$17,562 in fiscal year 2018-19 and \$171,396 in fiscal year 2019-20 and \$248,564 in fiscal year 2020-21. Because the bottle redemption program and any payments required by the initiator of deposit are included in the spirits administration contract with Pine State Trading Company, this change will require the contract to be renegotiated.

This bill also prohibits the issuance by the Department of Environmental Protection (DEP) of new redemption center licenses after May 1, 2019 until January 15, 2020, while allowing currently licensed redemption centers to renew licenses. This prohibition will result in a minor Other Special Revenue Funds revenue loss for the department. The bill also directs the DEP to require the submission of additional information from initiators of deposit regarding their activities in the beverage container redemption program. Any additional costs to BABLO as an initiator of deposit or the DEP as a result of this requirement are anticipated to be minor and can be absorbed within existing budget resources.