

STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND NINETEEN

S.P. 60 - L.D. 248

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

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this legislation prohibits the issuance of new beverage container redemption center licenses to beverage redemption centers that were not previously issued a license prior to May 1, 2019; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 38 MRSA §3106, sub-§7, as enacted by PL 2015, c. 166, §14, is amended to read:

7. Reimbursement of handling costs. Reimbursement of handling costs is governed by this subsection.

A. In addition to the payment of the refund value, the initiator of the deposit under section 3103, subsections 1, 2 and 4 shall reimburse the dealer or local redemption center for the cost of handling beverage containers subject to section 3103, in an amount that equals at least 3¢ per returned container for containers picked up by the initiator before March 1, 2004, at least 3 1/2¢ for containers picked up on or after March 1, 2004 and before March 1, 2010 ~~and~~, at least 4¢ for containers picked up on or after March 1, 2010 ~~and~~ before January 1, 2020 ~~and~~ at least 4 1/2¢ for containers picked up on or after January 1, 2020. The initiator of the deposit may reimburse the dealer or local redemption center directly or indirectly through a party with which it has entered into a commingling agreement.

B. In addition to the payment of the refund value, the initiator of the deposit under section 3103, subsection 3 shall reimburse the dealer or local redemption center for the cost of handling beverage containers subject to section 3103 in an amount that equals at least 3¢ per returned container for containers picked up by the initiator before March 1, 2004, at least 3 1/2¢ for containers picked up on or after March 1, 2004 and before March 1, 2010 ~~and~~, at least 4¢ for containers picked up on or after March 1, 2010 and before January 1, 2020 and at least 4 1/2¢ for containers picked up on or after January 1, 2020. The initiator of the deposit may reimburse the dealer or local redemption center directly or indirectly through a contracted agent or through a party with which it has entered into a commingling agreement.

~~C. The reimbursement that the initiator of the deposit is obligated to pay the dealer or redemption center pursuant to paragraph A or B must be reduced by 1/2¢ for any returned container that is subject to a qualified commingling agreement that allows the dealer or redemption center to commingle beverage containers of like product group, material and size. A commingling agreement is qualified for purposes of this paragraph if the department determines that 50% or more of the beverage containers of like product group, material and size for which the deposits are being initiated in the State are covered by the commingling agreement or that the initiators of deposit covered by the commingling agreement are initiators of deposit for wine containers who each sell no more than 100,000 gallons of wine or 500,000 beverage containers that contain wine in a calendar year. Once the initiator of deposit has established a qualified commingling agreement for containers of a like product group, material and size, the department shall allow additional brands to be included from a different product group if they are of like material. The State, through the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations, shall make every reasonable effort to enter into a qualified commingling agreement under this paragraph with every other initiator of deposit for beverage containers that are of like product group, size and material as the beverage containers for which the State is the initiator of deposit.~~

D. Paragraphs A, and B ~~and C~~ do not apply to a brewer who annually produces no more than 50,000 gallons of its product or a bottler of water who annually sells no more than 250,000 containers each containing no more than one gallon of its product. In addition to the payment of the refund value, an initiator of deposit under section 3103, subsections 1 to 4 who is also a brewer who annually produces no more than 50,000 gallons of its product or a bottler of water who annually sells no more than 250,000 containers each containing no more than one gallon of its product shall reimburse the dealer or local redemption center for the cost of handling beverage containers subject to section 3103 in an amount that equals at least 3¢ per returned container, except that, beginning January 1, 2020, the initiator of deposit shall reimburse the dealer or local redemption center at least 3 1/2¢ per returned container.

Sec. 2. Moratorium on new redemption center licenses. Notwithstanding any provision of the Maine Revised Statutes, Title 38, chapter 33 to the contrary, beginning May 1, 2019 and ending January 15, 2020, the Department of Environmental Protection may not issue a license to a redemption center that was not licensed as a redemption center pursuant to Title 38, chapter 33 as of April 30, 2019 unless the department determines that a new redemption center is needed to serve an area in which a

redemption center licensed as a redemption center pursuant to Title 38, chapter 33 as of April 30, 2019 ceases to operate. This section does not prevent the department from renewing the license of a redemption center previously issued a license pursuant to Title 38, chapter 33 prior to May 1, 2019.

Sec. 3. Container redemption efficiencies; report. The Commissioner of Environmental Protection shall require each initiator of deposit that has entered into a commingling agreement pursuant to the Maine Revised Statutes, Title 38, section 3107, and the contracted agent of the initiator of deposit, if any, to no later than July 1, 2019 report to the Department of Environmental Protection the number of beverage containers picked up from each redemption center on each pick-up date in calendar year 2018. The initiators of deposit that have entered into a commingling agreement may elect to aggregate the data required under this section for the entire commingling group for the purpose of reporting to the department. Upon receipt of the data under this section, the department shall assess the efficiency and convenience of the beverage container redemption system and develop recommendations to improve efficiencies in the handling and transportation of beverage containers and to ensure convenient collection of beverage containers for consumers. On or before January 15, 2020, the commissioner shall submit a report to the Joint Standing Committee on Environment and Natural Resources detailing the department's findings and recommendations, including any proposed legislation. After reviewing the report, the committee may report out legislation to the Second Regular Session of the 129th Legislature to implement recommendations contained in the report.

Sec. 4. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Alcoholic Beverages - General Operation 0015

Initiative: Provides allocation for the State's cost as an initiator of deposit for spirits for removal of the 1/2¢ commingling agreement discount in the reimbursement rate paid to a dealer or local redemption center beginning May 1, 2019.

STATE ALCOHOLIC BEVERAGE FUND	2018-19	2019-20	2020-21
All Other	\$17,562	\$114,264	\$124,282
STATE ALCOHOLIC BEVERAGE FUND TOTAL	\$17,562	\$114,264	\$124,282

Alcoholic Beverages - General Operation 0015

Initiative: Provides allocation for the State's cost as an initiator of deposit for spirits for an increase in the reimbursement rate paid to a dealer or local redemption center by 1/2¢ per returned beverage container beginning January 1, 2020.

STATE ALCOHOLIC BEVERAGE FUND	2018-19	2019-20	2020-21
All Other	\$0	\$57,132	\$124,282
STATE ALCOHOLIC BEVERAGE FUND TOTAL	<u>\$0</u>	<u>\$57,132</u>	<u>\$124,282</u>

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS	2018-19	2019-20	2020-21
STATE ALCOHOLIC BEVERAGE FUND	\$17,562	\$171,396	\$248,564
DEPARTMENT TOTAL - ALL FUNDS	<u>\$17,562</u>	<u>\$171,396</u>	<u>\$248,564</u>

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.