

1 S.28

2 Introduced by Senators Pollina and Pearson

3 Referred to Committee on

4 Date:

5 Subject: Conservation and development; beverage redemption; deposit

6 redemption; abandoned beverage container deposits

7 Statement of purpose of bill as introduced: This bill proposes to expand the  
8 beverage container deposit redemption system to include water bottles and  
9 containers for all noncarbonated drinks. This bill would also propose to  
10 require beverage manufacturers and distributors to remit abandoned beverage  
11 container deposits to the State for deposit in the Clean Environment Jobs Fund  
12 established to provide grants to businesses engaged in solid waste management  
13 and recycling.

14 An act relating to the beverage container redemption system

15 It is hereby enacted by the General Assembly of the State of Vermont:

16 Sec. 1. 10 V.S.A. § 1521 is amended to read:

17 § 1521. DEFINITIONS

18 ~~For the purpose of~~ As used in this chapter:

19 (1) "Beverage" means beer or other malt beverages ~~and~~ mineral waters,  
20 mixed wine ~~drink~~, drinks, wine, soda water ~~and~~ carbonated and noncarbonated

1 soft drinks, noncarbonated water, and all nonalcoholic carbonated and  
2 noncarbonated drinks in liquid form and intended for human consumption,  
3 except for rice milk, soymilk, almond milk, hempseed milk, milk, and dairy  
4 products. As of January 1, 1990, “beverage” also shall mean liquor.

5 (2) “Biodegradable material” means material which is capable of being  
6 broken down by bacteria into basic elements.

7 (3) “Container” means the individual, separate, bottle, can, jar, or carton  
8 composed of glass, metal, paper, plastic, or any combination of those materials  
9 and containing a consumer product. This definition shall not include  
10 containers made of biodegradable material.

11 (4) “Distributor” means every person who engages in the sale of  
12 consumer products in containers to a ~~dealer~~ retailer in this ~~state~~ State, including  
13 any manufacturer who engages in such sales. Any ~~dealer or~~ retailer who sells,  
14 ~~at the retail level,~~ beverages in containers without having purchased them from  
15 a person otherwise classified as a distributor, shall be a distributor.

16 (5) “Manufacturer” means every person bottling, canning, packing, or  
17 otherwise filling containers for sale to distributors or ~~dealers~~ retailers.

18 (6) “Recycling” means the process of sorting, cleansing, treating, and  
19 reconstituting waste and other discarded materials for the purpose of reusing  
20 the materials in the same or altered form.

1 (7) "Redemption center" means a store or other location where any  
2 person may, during normal business hours, redeem the amount of the deposit  
3 for any empty beverage container labeled or certified pursuant to section 1524  
4 of this title.

5 (8) "Secretary" means the ~~secretary of the agency of natural resources~~  
6 Secretary of Natural Resources.

7 (9) "Mixed wine drink" means a beverage containing wine and more  
8 than 15 percent added plain, carbonated, or sparkling water; and ~~which that~~  
9 contains added natural or artificial blended material, such as fruit juices,  
10 flavors, flavoring, adjuncts, coloring, or preservatives; ~~which that~~ contains not  
11 more than 16 percent alcohol by volume; or other similar product marketed as  
12 a wine cooler.

13 (10) "Liquor" means spirits as defined in 7 V.S.A. § 2.

14 (11) "Deposit initiator" means the first distributor or manufacturer to  
15 collect the deposit on a beverage container sold to any person within the State.

16 (12) "Retailer" means a person in Vermont who sells beverages in  
17 beverage containers to a consumer at the retail level.

18 Sec. 2. 10 V.S.A. § 1522 is amended to read:

19 § 1522. BEVERAGE CONTAINERS; DEPOSIT

20 (a) Except with respect to beverage containers which contain liquor, a  
21 deposit of ~~not less than five cents~~ \$0.05 shall be paid by the consumer on each

1 beverage container sold at the retail level and shall be refunded to the  
2 consumer upon return of the empty beverage container. With respect to  
3 beverage containers of volume greater than 50 ml. which contain liquor or  
4 wine, a deposit of ~~15 cents~~ \$0.15 shall be paid by the consumer on each  
5 beverage container sold at the retail level and shall be refunded to the  
6 consumer upon return of the empty beverage container. The difference  
7 between liquor bottle deposits collected and refunds made is ~~hereby~~ retained  
8 by the ~~liquor control fund~~ Liquor Control Fund for administration of this  
9 subsection.

10 (b) A retailer or a person operating a redemption center who redeems  
11 beverage containers shall be reimbursed by the manufacturer or distributor of  
12 such beverage containers in an amount ~~which is three and one half cents of~~  
13 \$0.035 per container for containers of beverage brands that are part of a  
14 commingling program and ~~four cents~~ \$0.04 per container for containers of  
15 beverage brands that are not part of a commingling program.

16 (c) ~~{Deleted.}~~[Repealed.]

17 (d) Containers shall be redeemed during no fewer than 40 hours per week  
18 during the regular operating hours of the establishment.

1 Sec. 3. 10 V.S.A. § 1524 is amended to read:

2 § 1524. LABELING

3 (a) Every beverage container sold or offered for sale at retail in this ~~state~~  
4 State shall clearly indicate by embossing or imprinting on the normal product  
5 label, or in the case of a metal beverage container on the top of the container,  
6 the word “Vermont” or the letters “VT” and the refund value of the container  
7 in not less than one-eighth inch type size or such other alternate indications as  
8 may be approved by the ~~secretary~~ Secretary. This subsection does not prohibit  
9 including names or abbreviations of other states with deposit legislation  
10 comparable to this chapter.

11 (b) The ~~commissioner of the department of liquor control~~ Commissioner of  
12 Liquor Control may allow, in the case of liquor bottles, a conspicuous,  
13 adhesive sticker to be attached to indicate the deposit information required in  
14 subsection (a) of this section, provided that the size, placement and adhesive  
15 qualities of the sticker are as approved by the ~~commissioner~~ Commissioner.  
16 The stickers shall be affixed to the bottles by the manufacturer, except that  
17 liquor which is sold in the ~~state~~ State in quantities less than 100 cases per year  
18 may have stickers affixed by personnel employed by the ~~department~~  
19 Department.

20 (c) This section shall not apply to permanently labeled beverage containers.

1       (d) The Secretary may allow, in the case of wine bottles, a conspicuous,  
2       adhesive sticker to be attached to indicate the deposit information required in  
3       subsection (a) of this section, provided that the size, placement, and adhesive  
4       qualities of the sticker are as approved by the Secretary. The stickers shall be  
5       affixed by the manufacturer.

6       Sec. 4. 10 V.S.A. §§ 1530 and 1531 are added to read:

7       § 1530. ABANDONED BEVERAGE CONTAINER DEPOSITS; DEPOSIT  
8       TRANSACTION ACCOUNT; BEVERAGE REDEMPTION FUND

9       (a) A deposit initiator shall open a separate interest-bearing account, in a  
10       Vermont branch of a financial institution, to be known as the deposit  
11       transaction account. The deposit initiator shall keep the deposit transaction  
12       account separate from all other revenues and accounts.

13       (b) Beginning on July 1, 2017, each deposit initiator shall deposit in its  
14       deposit transaction account the refund value established by section 1522 of this  
15       title for all beverage containers sold by the deposit initiator. The deposit  
16       initiator shall deposit the refund value for each beverage container in the  
17       account not more than three business days after the date on which the beverage  
18       container is sold. All interest, dividends, and returns earned on the deposit  
19       transaction account shall be paid directly to the account. The deposit initiator  
20       shall pay all refunds on returned beverage containers from the deposit  
21       transaction account.

1       (c) Beginning on August 10, 2017, and on or before the tenth day of each  
2       month thereafter, every deposit initiator shall report to the Secretary of Natural  
3       Resources and the Commissioner of Taxes concerning transactions affecting  
4       the deposit initiator's deposit transaction account in the preceding month. The  
5       deposit initiator shall submit the report on a form provided by the  
6       Commissioner of Taxes. The report shall include:

7               (1) the balance of the account at the beginning of the preceding month;

8               (2) the number of nonreusable beverage containers sold in the preceding  
9       month and the number of nonreusable beverage containers returned in the  
10       preceding month;

11              (3) the amount of beverage container deposits received by the deposit  
12       initiator and deposited into the deposit transaction account;

13              (4) the amount of refund payments made from the deposit transaction  
14       account in the preceding month;

15              (5) any income earned on the deposit transaction account in the  
16       preceding month;

17              (6) any other transactions, withdrawals, or service charges on the  
18       deposit transaction account from the preceding month; and

19              (7) any additional information required by the Commissioner of Taxes.

20       (d) On or before August 10, 2017, and on or before the tenth day of each  
21       month thereafter, each deposit initiator shall remit from its deposit transaction

1 account to the Commissioner of Taxes any abandoned beverage container  
2 deposits from the preceding month. The amount of abandoned beverage  
3 container deposits for a month is equal to the amount of deposits that should be  
4 in the fund less the sum of:

5 (1) income earned on amounts in the account during that month; and

6 (2) the total amount of refund value received by the deposit initiator for  
7 nonrefillable containers during that month.

8 (e) The Secretary of Natural Resources may prohibit the sale of a beverage  
9 that is sold or distributed in the State by a deposit initiator who fails to comply  
10 with the requirements of this chapter. The Secretary may allow the sale of a  
11 beverage upon the deposit initiator's coming into compliance with the  
12 requirements of this chapter.

13 (f) The Commissioner of Taxes shall deposit into the Clean Environment  
14 Jobs Fund established under section 1531 of this title all abandoned beverage  
15 container deposits remitted under subsection (d) of this section.

16 § 1531. CLEAN ENVIRONMENT JOBS FUND

17 (a) There is hereby established in the State Treasury a special fund to be  
18 known as the Clean Environment Jobs Fund, to be administered and expended  
19 by the Secretary of Natural Resources to fund programs or projects that  
20 promote or support the growth of jobs or businesses in the State that are related  
21 to or engaged in recycling and solid waste management, provided that



1 expenditures from the Fund shall not be used to fund programs or projects  
2 associated with the incineration of solid waste.

3 (b) The Secretary may authorize disbursement or expenditures from the  
4 Fund for:

5 (1) loans or grants to Vermont citizens or businesses initiating or  
6 expanding a business engaged in recycling or solid waste management,  
7 including compliance with the requirements of 2012 Acts and Resolves  
8 No. 148 and recycling of construction and demolition waste; and

9 (2) the costs to the Agency of Natural Resources of implementing the  
10 requirements of 2012 Acts and Resolves No. 148.

11 (c) There shall be deposited into the Fund:

12 (1) all abandoned beverage container deposits remitted to the State  
13 under section 1530 of this title;

14 (2) private gifts, bequests, grants, or donations made to the State from  
15 any public or private source for the purposes for which the Fund was  
16 established; and

17 (3) any sums as may be appropriated by the General Assembly.

18 (d) Interest earned by the Fund shall be credited and deposited to the Fund.

19 All balances in the Fund at the end of the fiscal year shall be carried forward  
20 and remain a part of the Fund.

1 Sec. 5. EFFECTIVE DATE

2 This act shall take effect on passage.