

## **Executive Summary of the Task Force to Review the Beverage Container Deposit Laws**

The Resolve creating the Task Force to Review the Beverage Container Laws was initiated by the Joint Standing Committee on Business and Economic Development, the committee with primary jurisdiction over beverage container deposit laws. Since the 1990 expansion of the bottle bill to cover juice, water and tea containers, the Business and Economic Development Committee has been confronted with numerous complaints and bills proposing changes to the bottle bill. In 1995, after facing 7 such bills, the committee created the Task Force to help resolve some of the major issues identified by the beverage industry.

The Task Force determined at its first meeting that it would not address the question of whether to repeal the bottle bill or the expanded portion of it. Given the severe limits on time and the number of meetings authorized, the lack of required analytical data and the lack of sophisticated analytical expertise, the Task Force decided to focus on methods of improving the existing law rather than examining its repeal.

The Task Force identified overredemption and fraudulent redemption as the major problem requiring resolution. Overredemption occurs when a container for which no deposit has been collected is redeemed in Maine. This may occur when a distributor brings containers into Maine without initiating the deposit, or when a person knowingly collects containers outside the State and brings them into Maine to collect the deposit. The Task Force examined a number of options for resolving this issue, including reducing the deposit from 5 cents to 3 cents per container; licensing businesses involved in implementing the bottle bill, including manufacturers, distributors and redemption centers; increasing enforcement efforts and penalties for violations; and requiring unique container markings for products sold in Maine.

The Task Force also reviewed options for improving the workings of the system, including container sorting and pick-up. Although the system generally works well, redemption centers, distributors and manufacturers all had some complaints as well as suggestions for improvement to tighten up the system.

### **Recommendations**

On the issue of overredemption, the Task Force recommends the following:

- Registration of manufacturers, distributors and third party pick-up agents;
- Licensure of redemption centers, including full-time redemption centers and retailers who accept empty beverage containers and receive a handling fee for sorting and handing over the containers to deposit initiators;

- Filing of statements by persons redeeming more than \$50 of containers, certifying under penalty of law that the containers were purchased in Maine;
- Reporting of activity by all segments of the industry to aid in enforcement and analysis of the bottle bill. In the past, only deposit initiators filed reports and they reported only the quantity of deposits collected and refunds given. This proposal requires reporting additional information, including containers sold, names of distributors and 3rd party pick-up agents and numbers of containers picked up.
- Review by the Department of Agriculture, Food and Rural Resources of data available to analyze and evaluate the beverage container deposit laws; and
- Dedication of license fees and fines to pay for improved enforcement efforts by the Department of Agriculture, Food and Rural Resources.

The Task Force believes that these efforts will decrease overredemption. In addition to these efforts, however, the Task Force recommends periodic evaluation of the program, which may help to determine the adequacy of these efforts. The issue of decreasing the deposit from 5 cents to 3 cents, which if believed would reduce the incentive for fraudulent redemption, may need to be considered in the future if these efforts are not enough. One Task Force member recommends reducing the deposit amount immediately.

The Task Force also makes the following recommendations clarifying the obligation of distributors and third party pick-up agents to pick up empty beverage containers from redemption centers and retailers:

- Requiring exclusive distributors to pick up from retail stores to whom they sell products and from all redemption centers in their territory and requiring non-exclusive items to be picked up by the deposit initiator statewide. Currently, exclusive distributors pick up from their retail stores and from redemption centers specifically designated to serve customers of those retail stores. Deposit initiators of products sold through non-exclusive distributorships must pick up from retailers to whom those products are sold and from redemption centers designated to serve those retailers;
- Codifying in statute the requirement, currently contained in department rule, that
- Adding a requirement that the invoice signed at the time of pick up governs the amount payable to the redemption center or retailer, rather than allowing those who pick up containers to dispute the amounts payable at a later date.