



131st MAINE LEGISLATURE

LD 1909

LR 1418(05)

An Act to Modernize Maine's Beverage Container Redemption Law

Fiscal Note for Bill as Engrossed with:

C "A" (H-667)

S "A" (S-497) to C "A" (H-667)

Committee: Environment and Natural Resources

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$138,146	\$293,502	\$2,800,000	\$2,800,000
Appropriations/Allocations				
General Fund	\$138,146	\$293,502	\$0	\$0
Other Special Revenue Funds	\$0	\$0	\$1,061,317	\$1,048,325
Revenue				
General Fund	\$0	\$0	(\$2,800,000)	(\$2,800,000)
Other Special Revenue Funds	\$0	\$0	\$1,600,000	\$1,600,000

Fiscal Detail and Notes

This bill requires all initiators of deposit (IOD) to enter into a commingling agreement by July 15, 2025. It also requires that by July 15, 2025 commingling groups collectively establish a single commingling cooperative to manage all beverage containers subject to the beverage container redemption program. The bill repeals the current law requirement that any bottle deposits from noncommingling agreement IODs be remitted to the State as escheat. Instead, it provides that the newly created cooperative will be allowed to retain any unclaimed bottle deposits. The cooperative must make an annual payment of \$1,000,000 from these deposits to the Cost and Carbon Efficient Technology (CCET) Fund established in the bill, along with an annual fee of \$600,000 paid to the Department of Environmental Protection (DEP) to offset its costs of administering the beverage container redemption program.

The DEP has indicated that while the costs of administering the program will eventually be funded by annual fees paid by the cooperative beginning in fiscal year 2025-26, certain provisions of the bill will require the department to undertake activities in fiscal year 2023-24 that require additional staffing and resources. Accordingly, the bill includes one-time General Fund appropriations of \$138,146 in fiscal year 2023-24 and \$293,502 in fiscal year 2024-25 for 3 limited-period Environmental Specialist III positions that begin January 1, 2024 and end June 15, 2025.

It is assumed that additional ongoing positions and associated costs will be funded by the fees paid by the cooperative starting in fiscal year 2025-26. Allocations related to these costs will need to be included in future budget requests to authorize the expenditures. The DEP will also require additional allocations of \$61,317 in fiscal year 2025-26 and \$48,325 in fiscal year 2026-27 for outreach and coordination activities and ongoing allocations to the CCET Fund of \$1,000,000 beginning in fiscal year 2025-26 for bottle technology grants.

Provisions of this bill switch the administration of the registration of bottle labels from the DEP to the cooperative. As a result, Other Special Revenue Funds revenue to the department from registrations will decrease by \$240,000 annually starting in fiscal year 2025-26. Since the bill requires all IODs to join the cooperative there will no longer be unclaimed deposits turned over to the State and General Fund revenue will be reduced by \$2,800,000 annually beginning in fiscal year 2025-26.