



May 15, 2022

Sen. Stacy Brenner, Senate Chair
Rep. Lori Gramlich, House Chair
Joint Standing Committee on Environment and Natural Resources
100 State House Station
Augusta, ME 04333-0100

RE: Support for LD 1909, An Act to Modernize Maine's Beverage Container Redemption Law

Dear Senator Brenner, Representative Gramlich, and Members of the Committee:

Thank you for the opportunity to submit testimony on behalf of Upstream **in support of LD 1909**, which will update Maine's beverage container redemption system by incorporating best practices and the latest improvements from successful deposit-return systems (DRSs) around the world.

Upstream is a non-profit organization based in Maine that sparks innovative solutions to plastic pollution by helping people, businesses, and communities shift from single-use to reuse. We seek to live in a world where people and the planet are treated as "indisposable" and communities thrive without all the waste. **We believe DRSs like Maine's are crucial to accelerating the new reuse economy.** The following comments offer support as well as suggested amendments to strengthen the reuse provisions in the bill.

LD 1909 will create new opportunities to invest in infrastructure that can support the use of refillable beverage containers throughout Maine. We strongly support the creation of a "commingling cooperative" that is required to use unclaimed consumer deposits on improvements to the system, including increasing the use of reusable/refillable containers. However, while we appreciate the flexibility provided in the current legislation for unclaimed deposits to be distributed for a number of purposes, **we suggest requiring the use of unclaimed deposits for *all* activities listed in §3108-A, subsection 2(B) - especially item #8, "payments to support activities of the cooperative or others designed to increase the use of reusable and refillable beverage containers in the State."** We also suggest expanding the scope of these funds to allow investments that increase the reuse of other packaging materials. This will ensure that funding is guaranteed for improvements to the system while also enabling efficiencies through alignment with other reuse investments in the state, including Maine's packaging EPR law and local reuse efforts.

Switching to reusables is more intensive upfront for manufacturers than the status quo because it requires rethinking supply chains and changing the packaging used for beverages. [But the results far outweigh the benefits of recycling.](#) **After just three uses, reusable glass bottles are already less impactful than single-use glass and PET bottles or aluminum cans.** Used 25 times and then recycled, reusable glass bottles generate 85% fewer climate emissions than single-use glass; 57% fewer than aluminum cans; and 70% fewer than single-use PET. **Refillable PET bottles can save up to 40% of the raw materials and 50% of the greenhouse gas emissions compared to the production of single-use PET bottles.**

Refillables also benefit the ocean: Oceana estimates that a 10% increase in the share of beverages sold in refillables could result in a 22% decrease in marine plastic pollution. This would keep 4.5 to 7.6 billion plastic bottles out of the ocean each year. And **contrary to popular belief, reuse saves water.** Over their lifecycle, reusable products, food serviceware, and packaging generally use less water than disposable alternatives because so much water is used in the manufacturing stages. With the adoption of highly efficient dishwashing systems, water use for reusables continues to decrease, and always outperforms single-use.

Attached are suggested amendments to LD 1909 based on [Upstream's policy principles](#) for reuse/refill in DRS. Our principles include financial incentives as well as enforceable targets that drive consumer brands to choose reusable packaging for the beverages they sell. DRS policies should either set these targets in statute or regulations, or create a mechanism for reuse targets to be set and reassessed in the future, such as requiring producers to propose reuse targets through a program plan. LD 1909 allows for a market analysis (funded by the commingling collective through unclaimed consumer deposits) to determine feasible targets for reuse, but does not make this analysis mandatory. The attached amendments set a deadline - one year following the enactment of regulations by DEP - to complete the market analysis. The results are used to set appropriate deadlines for reuse targets - specifically, **a requirement for no less than 5% of beverages sold in the state to be sold in refillable containers, increasing to 10% over time.**

To realize their environmental benefits, refillable containers must be repeatedly refilled and recirculated into the market. This requires their collection - without damaging or crushing the containers - and return to the manufacturer or bottler for refill. It is therefore important to include financial incentives and other elements that ensure redemption centers, pick-up agents, account-based bulk processing programs, and the commingling cooperative participate in and support the expansion of the reuse economy in Maine. In our suggested amendments, we have incorporated a **requirement to collect refillable containers at all locations where nonrefillable containers are accepted, without destroying the containers, and to return these containers to the initiator of deposit for refill.**

To ensure redemption centers, small producers, and distributors are adequately supported as the share of reusable beverage containers increases, we recommend a requirement for the commingling cooperative to utilize and support the transition of existing redemption and reverse distribution infrastructure throughout the state to collect, clean, and return refillable containers to producers or

bottlers for refill and recirculation, including but not limited to the development of centralized washing and sanitizing facilities.

The beverage sector is ready for reuse. Today, more beverage reuse/refill systems operate at scale than all other open reuse systems (such as reuse for take-out/delivery or bulk sales of dry goods), and virtually all of them use DRSs to get their containers back. As early as the late 1800s, beer, soda and dairy companies created the original mass-market DRSs to get their bottles back for washing and refilling. The distribution and wash hubs they built allowed virtually all commercial beverages in the U.S. to be sold in refillable bottles. Around the world, beverage companies have continued to operate and expand their refillables lines:

- In Germany, 82% of beer is sold in refillable bottles, and 99% are returned for refilling. Overall, 54% of beverages sold in Germany are in refillables.
- In Ontario, Canada, 85% of beer is sold in refillable bottles, with 97% returned and an average reuse rate of 15 cycles.
- Refillables account for significant portions of beverage sales in Mexico (27%), Columbia (54%), Brazil (24%), China (22%), Vietnam (31%), Thailand (20%), India (34%), Nigeria (43%), and the Philippines (59%).

Upstream's vision is for 30% of consumer goods to be sold in reusables by 2030. To realize this vision, we need consumer brands to have real skin in the game when it comes to designing, packaging, and selling their products. **LD 1909, if amended, will put the responsibility for redesigning, reusing, and recycling beverage containers where it belongs - on beverage producers. We strongly encourage you to favorably report this bill from your Committee after incorporating the attached amendments.**

For any questions, please contact me at sydney@upstreamsolutions.org.

Thank you for all you do,

Sydney Harris
Policy Director



131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document No. 1909 H.P. 1225 House of Representatives, May 9, 2023

An Act to Modernize Maine's Beverage Container Redemption Law

Reference to the Committee on Environment and Natural Resources suggested and ordered printed.

A handwritten signature in cursive script that reads "R. B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative HEPLER of Woolwich.
Cosponsored by Senator POULIOT of Kennebec and
Representatives: LANDRY of Farmington, WHITE of Waterville, Senators: BENNETT of
Oxford, BLACK of Franklin, CARNEY of Cumberland, HICKMAN of Kennebec, LIBBY of
Cumberland, TIMBERLAKE of Androscoggin.

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

2 Sec. 1. 36 MRSA §112, sub-§8, as amended by PL 2021, c. 1, Pt. M, §§9 and 10,
3 is further amended to read:

4 8. Additional duties. In addition to the duties specified in this Title, the assessor has
5 the following duties:

6 A. Collection of the tax on fire insurance companies imposed by Title 25, section 2399;
7 ~~and.~~

8 ~~E. Administration of reports and payments required under Title 38, section 3108.~~

9 Sec. 2. 38 MRSA §3102, sub-§1-A is enacted to read:

10 1-A. Account-based bulk processing program. "Account-based bulk processing
11 program" means a beverage container recycling program implemented by a redemption
12 center or pick-up agent that meets the requirements of rules adopted by the department, is
13 approved by the department and consolidates beverage containers subject to the
14 requirements of this chapter through bulk sorting, collects data regarding the containers to
15 support an accounting of deposits, fees and material weight and prepares the sorted
16 containers for sale to recyclers. An account-based bulk processing program may include a
17 bag-drop program as a program component.

18 Sec. 3. 38 MRSA §3102, sub-§1-B is enacted to read:

19 1-B. Bag-drop program. "Bag-drop program" means a beverage container recycling
20 program implemented by a redemption center that meets the requirements of rules adopted
21 by the department and that allows a person to drop off beverage containers subject to the
22 requirements of this chapter in a bag or other receptacle at one or more identified locations
23 and to have the corresponding refund placed into an account to be held for the benefit of
24 the person in a manner that allows the person to obtain the refund or a refund receipt within
25 2 business days following the drop-off. A bag-drop program may be implemented as part
26 of or in conjunction with an account-based bulk processing program.

27 Sec. 4. 38 MRSA §3102, sub-§3-A is enacted to read:

28 3-A. Commingling cooperative or cooperative. "Commingling cooperative" or
29 "cooperative" means the entity established pursuant to section 3107, subsection 3-B to
30 manage the collection of all beverage containers subject to the requirements of this chapter
31 under a single commingling program.

32 Sec. 5. 38 MRSA §3102, sub-§3-B is enacted to read:

33 3-B. Commingling group. "Commingling group" means a group of initiators of
34 deposit that have entered into a commingling agreement approved by the department in
35 accordance with section 3107, subsection 1-A or 1-B. "Commingling group" includes the
36 State, through the Department of Administrative and Financial Services, Bureau of
37 Alcoholic Beverages and Lottery Operations, which, pursuant to section 3107, is deemed
38 to be managing returned containers for which the State has initiated deposits in a
39 commingling program pursuant to a qualified commingling agreement, but does not
40 include the commingling cooperative.

1 Sec. 6. 38 MRSA §3102, sub-§16-A, as enacted by PL 2019, c. 526, §5, is amended
2 to read:

3 16-A. Pick-up agent. "Pick-up agent" means ~~an initiator of deposit, a distributor or a~~
4 contracted agent of an initiator of deposit or, a distributor, a commingling group or the
5 commingling cooperative that receives redeemed beverage containers from a redemption
6 center, except for beverage containers redeemed through an account-based bulk processing
7 program, and transports those containers for recycling.

8 Sec. 7. 38 MRSA §3102, sub-§19, as enacted by PL 2015, c. 166, §14, is amended
9 to read:

10 19. Reverse vending machine. "Reverse vending machine" means an automated
11 device that meets the requirements of rules adopted by the department and that uses a laser
12 scanner or optical sensor and microprocessor to accurately recognize the universal product
13 code on beverage containers and to accumulate information regarding containers redeemed,
14 enabling the reverse vending machine to accept containers from redeemers and to issue
15 script for the containers' refund value. "Reverse vending machine" does not include a hand
16 scanner or other similar device.

17 Sec. 8. 38 MRSA §3105, sub-§1, as amended by PL 2019, c. 11, §1, is further
18 amended to read:

19 1. Labels. Except as provided under ~~subsections 2 and subsection 4,~~ the refund value,
20 or the words "refund value" or the abbreviation "RV," and the word "Maine" or the
21 abbreviation "ME" must be clearly indicated on every refundable beverage container sold
22 or offered for sale by a dealer in this State, by embossing, stamping, labeling or other
23 method of secure attachment to the beverage container, except in instances when the
24 initiator of deposit has specific permission from the department to use stickers or similar
25 devices. The refund value may not be indicated on the bottom of the container.

26 Sec. 9. 38 MRSA §3105, sub-§2, as amended by PL 2019, c. 11, §2, is repealed.

27 Sec. 10. 38 MRSA §3105, sub-§3, as enacted by PL 2015, c. 166, §14, is repealed.

28 Sec. 11. 38 MRSA §3105, sub-§4, as enacted by PL 2015, c. 166, §14, is amended
29 to read:

30 4. ~~Brand name Refillable glass beverage containers.~~ Refillable glass beverage
31 ~~containers of carbonated beverages, for which the deposit is initiated under section 3103-~~
32 ~~subsection 1, that have a refund value of not less than 5¢ and a brand name permanently~~
33 ~~marked on the container are not required to comply with subsection 1. The exception~~
34 ~~provided by this subsection does not apply to glass beverage containers that contain spirits,~~
35 ~~wine or malt liquor as those terms are defined by Title 28-A, section 2.~~

36 Sec. 12. 38 MRSA §3105, sub-§5, as amended by PL 2019, c. 526, §6, is further
37 amended to read:

38 5. Label registration. An initiator of deposit shall register the container label of any
39 beverage offered for sale in the State on which it initiates a deposit. Registration must be
40 on forms or in an electronic format provided by the department prior to January 15, 2025
41 and by the cooperative beginning January 15, 2025 and must include the universal product
42 code for each combination of beverage and container manufactured. The initiator of
43 deposit shall renew a label registration annually and whenever that label is revised by
44 altering the universal product code or whenever the container on which it appears is
45 changed in size, composition or glass color. The initiator of deposit shall also include as
46 part of the registration ~~the method of collection for that type of container,~~ identification of
47 a collection agent, identification of all of the parties to a commingling agreement that
48 applies to the container and proof of the collection agreement. ~~The~~ Except as provided in
49 paragraph A, the department may charge a fee for registration and registration renewals
50 under this subsection.

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A. Beginning January 15, 2025, the department may not charge a fee for registration and registration renewals under this subsection.

B. Beginning January 15, 2025, a commingling group shall ensure that all initiators of deposit participating in the commingling group provide to the cooperative accurate and up-to-date label registration information required by this subsection and any updates to label registrations. The cooperative shall ensure that accurate and up-to-date information regarding all label registrations is shared with entities using or administering reverse vending machine and account-based bulk processing programs and is made available on its publicly accessible website.

Sec. 13. 38 MRSA §3105, sub-§5-A is enacted to read:

5-A. Unregistered labels; payment. Beginning January 15, 2025, if a person notifies the cooperative that a beverage container is sold or offered for sale in the State with a label that has not been registered in accordance with this section, the cooperative shall provide the person with a payment of not less than \$100 per label upon a determination by the cooperative that:

A. The beverage container is sold or offered for sale in the State with an unregistered label; and

B. The cooperative has not already made a payment under this subsection to another person with respect to the same unregistered label.

Sec. 14. 38 MRSA §3106, sub-§1, as amended by PL 2019, c. 526, §7, is further amended to read:

1. Dealer acceptance. Except as otherwise provided in this section, a dealer operating a retail space of 5,000 square feet or more may not refuse to accept from any consumer or other person not a dealer any empty, unbroken and reasonably clean refillable or nonrefillable beverage container or refuse to pay in cash the refund value of the returned beverage container as established by section 3103 unless the dealer has a written agreement with a redemption center to provide redemption services on behalf of the dealer and that redemption center ~~is located within~~ 10 miles from the dealer, as measured along public roadways. Refillable containers must be collected in such a manner so as not to destroy the container such that it can no longer be reused.

~~A. Is located within 10 miles from the dealer, as measured along public roadways; or~~

~~B. If there is no redemption center located within 10 miles from the dealer under paragraph A, is the redemption center in closest proximity to the dealer, as measured along public roadways.~~

If there is no redemption center located within 10 miles from a dealer operating a retail space of 5,000 square feet or more, the dealer shall notify the department and, pursuant to section 3113, the department may issue a license to a redemption center that is proposed to be located within 10 miles from that dealer and that satisfies all other applicable requirements for licensure.

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This subsection does not require an operator of a vending machine to maintain a person to accept returned beverage containers on the premises where the vending machine is located.

Sec. 15. 38 MRSA §3106, sub-§5, as amended by PL 2019, c. 526, §7, is further amended to read:

5. ~~Distributor acceptance~~ Acceptance by commingling group. A ~~distributor~~ commingling group or its agent may not refuse to accept from any dealer or redemption center any empty, unbroken and reasonably clean refillable or nonrefillalble beverage container or any beverage container that has been processed through an approved reverse vending machine or account-based bulk processing program that meets the requirements of rules adopted by the department pursuant to this chapter of the kind, size and brand sold by the distributor or refuse to pay to the dealer or redemption center the refund value of a beverage container as established by section 3103. Refillable containers must be collected in such a manner so as not to destroy the container such that it can no longer be reused.

Sec. 16. 38 MRSA §3106, sub-§6, as amended by PL 2019, c. 526, §7, is further amended to read:

6. Obligation to preserve recycling value. Notwithstanding subsection 8, a ~~distributor~~ commingling group or its agent may refuse to accept, or pay the refund value and handling costs to a dealer, redemption center or other person for, a beverage container that has been processed by a reverse vending machine or account-based bulk processing program in a way that has reduced the recycling value of the container below current market value. This subsection may not be interpreted to prohibit a written processing agreement between a ~~distributor~~ commingling group and a dealer or redemption center and does not relieve a ~~distributor~~ commingling group of its obligation under subsection 8 to accept empty, unbroken and reasonably clean beverage containers. The department shall adopt rules to establish the recycling value of beverage containers under this subsection and the rules may authorize the use of a 3rd-party vendor to determine if a beverage container has been processed by a reverse vending machine or account-based bulk processing program in a manner that has reduced the recycling value below current market value. The rules must outline the method of allocating among the parties involved the payment for 3rd-party vendor costs.

Sec. 17. 38 MRSA §3106, sub-§7, as amended by PL 2019, c. 526, §7, is further 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 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, 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 and before September 1, 2023, at least 6¢ for containers picked up on or after September 1, 2023 and before January 15, 2025 and at least the amount set by rule in accordance with paragraph B-1 for containers picked up on or after January 15, 2025. The initiator of the deposit may reimburse the dealer or redemption center directly or indirectly through a party with which it has entered into a commingling agreement.

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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 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, 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 and before September 1, 2023, at least 6¢ for containers picked up on or after September 1, 2023 and before January 15, 2025 and at least the amount set by rule in accordance with paragraph B-1 for containers picked up on or after January 15, 2025. The initiator of the deposit may reimburse the dealer or redemption center directly or indirectly through a contracted agent or through a party with which it has entered into a commingling agreement.

B-1. On or before January 15, 2025 and biennially thereafter, the department shall adopt rules adjusting the applicable amount of the reimbursement of handling costs under paragraphs A and B by any percentage change in the United States Consumer Price Index, established by the federal Department of Labor, Bureau of Labor Statistics, from January 1st to December 31st of the previous year. In determining the amount of any adjustment of the reimbursement under this paragraph, the department may also consider other cost-related factors. Any change in the amount of the reimbursement of handling costs adopted by the department by rule in accordance with this paragraph may not take effect until 60 days following the date of final adoption of the rule. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 18. 38 MRSA §3106, sub-§8, as amended by PL 2019, c. 315, §19 and c. 526, §7, is repealed and the following enacted in its place:

8. Obligation to pick up and recycle containers. Beginning April 15, 2024, a designated pick-up entity has the obligation to ensure the pickup and recycling of all empty, unbroken and reasonably clean beverage containers subject to the requirements of this chapter from dealers and redemption centers, including from any locations where an account-based bulk processing program is in operation, at least once every 7 calendar days or in a manner that, except as provided in paragraph E, ensures a dealer or redemption center is not required to store more than 20,000 of such containers at any one time at a single location. As used in this subsection, "designated pick-up entity" means, prior to January 15, 2025, a commingling group and, beginning January 15, 2025, the cooperative. Notwithstanding any provision of the subsection to the contrary, prior to January 15, 2025, in the case of a designated pick-up entity that is a commingling group, the commingling group's responsibilities under this subsection apply only to those beverage containers from the initiators of deposit that are members of that commingling group.

E. A dealer or redemption center may be required to store more than 20,000 beverage containers at any one time at a single location if the dealer or redemption center receives payment from the designated pick-up entity for the deposits and handling fees due on those containers as well as a reasonable storage fee or if the dealer or redemption center enters into a written agreement with that entity or a pick-up agent of that entity, approved by the department, regarding bulk container storage.

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F. If the designated pick-up entity fails to pick up beverage containers from a dealer or redemption center in accordance with the requirements of this subsection, then the dealer or redemption center may sell those containers to any person for fair market value and that designated pick-up entity shall pay to the dealer or redemption center the amount of the deposits and handling fees that would have been due on those containers and any other costs incurred by the dealer or redemption center in conducting the sale, subtracting from that total the amount realized by the dealer or redemption center in the sale of the containers.

G. At least 2 business days prior to initiating a sale of beverage containers under paragraph F, the dealer or redemption center shall notify the designated pick-up entity and the department of its intent to conduct such a sale and provide documentation verifying the number of containers to be sold. After conducting such a sale, the dealer or redemption center shall provide the designated pick-up entity and the department with documentation verifying the amount realized in the sale of the beverage containers and any other costs associated with the sale.

Sec. 19. 38 MRSA §3106, sub-§9, as amended by PL 2019, c. 526, §7, is further amended to read:

9. Plastic bags; receptacles. A dealer or redemption center has an obligation to pick up receptacles for glass beverage containers, dumpsters or plastic bags that are used by that dealer or redemption center to contain beverage containers. Plastic bags used by a dealer or redemption center and the cost allocation of these bags must conform to rules adopted by the department concerning size and gauge. Beginning January 15, 2025, the cooperative shall provide to the dealer or redemption center, or reimburse the dealer or redemption center for the cost of, the receptacles, dumpsters or plastic bags used by the dealer or redemption center to contain redeemed beverage containers.

Sec. 20. 38 MRSA §3107, first ¶, as enacted by PL 2015, c. 166, §14, is amended to read:

Notwithstanding any ~~other~~ provision of this chapter to the contrary, 2 or more initiators of deposit may enter into a commingling agreement through which some or all of the beverage containers for which the initiators have initiated deposits may be commingled by dealers and operators of redemption centers as provided in this section. No later than April 15, 2024, each initiator of deposit shall enter into a commingling agreement pursuant to subsection 1-A or 1-B. If, by April 15, 2024, an initiator of deposit has not entered into a commingling agreement pursuant to subsection 1-A or 1-B, the initiator commits a violation of this chapter, is subject to penalties under section 3111 and, as long as the violation exists, is prohibited from selling or distributing in the State any beverage container subject to the requirements of this chapter, and a distributor or dealer may not sell or distribute in the State any such containers of the initiator and the department may remove from sale any such containers of the initiator.

Sec. 21. 38 MRSA §3107, 2nd ¶, as amended by PL 2019, c. 526, §8, is further amended to read:

1 An initiator of deposit that enters into a commingling agreement pursuant to this section
2 shall permit any other initiator of deposit to become a party to that agreement on the same
3 terms and conditions as the original agreement. ~~Once the initiator of deposit has established~~
4 ~~a qualified commingling agreement pursuant to the requirements of subsection 1-A, the~~
5 ~~department shall allow additional brands of beverage containers from a different product~~
6 ~~group to be included in the commingling agreement if those additional brands are of like~~
7 ~~material to those containers already managed under the commingling agreement.~~

8 Sec. 22. 38 MRSA §3107, 3rd ¶, as enacted by PL 2019, c. 526, §8, is amended to
9 read:

10 For the purposes of this chapter and notwithstanding any provision of this chapter to
11 the contrary, the State, through the Department of Administrative and Financial Services,
12 Bureau of Alcoholic Beverages and Lottery Operations, is deemed to be managing returned
13 containers for which the State has initiated deposits in a commingling program pursuant to
14 a qualified commingling agreement as long as the State allows a dealer or redemption
15 center to commingle returned containers of like material, including, but not limited to,
16 through use of an account-based bulk processing program.

17 Sec. 23. 38 MRSA §3107, sub-§1, as enacted by PL 2015, c.168, §14, is amended
18 by enacting at the end a new first blocked paragraph to read:

19 This subsection does not apply to the commingling program described in subsection 3-B.

20 Sec. 24. 38 MRSA §3107, sub-§1-A, as enacted by PL 2019, c. 526, §8, is amended
21 to read:

22 1-A. Qualified commingling agreements. The department shall determine that a
23 commingling agreement is qualified for the purposes of this chapter if:

24 A. Fifty percent or more of beverage containers of like product group, material and
25 size for which the deposits are being initiated in the State are included in the
26 commingling agreement; or

27 B. The initiators of deposit included in the commingling agreement are initiators of
28 deposit for beverage containers containing wine and each initiator of deposit sells no
29 more than 100,000 gallons of wine or 500,000 beverage containers containing wine in
30 a calendar year; ~~or,~~

31 ~~C. The commingling agreement has been approved by the department pursuant to~~
32 ~~subsection 3-A.~~

33 This subsection does not apply to the commingling program described in subsection 3-B.

34 Sec. 25. 38 MRSA §3107, sub-§1-B is enacted to read:

35 1-B. Special commingling agreement. The designated pick-up agent for initiators of
36 deposit that are not members of a commingling group and that cannot in the aggregate
37 satisfy the requirements for a qualified commingling agreement under subsection 1-A,
38 paragraph A shall execute and submit to the department for approval and, notwithstanding
39 any provision of this section to the contrary, the department may approve a special
40 commingling agreement that, in accordance with applicable requirements of this section,
41 provides for the commingling by dealers and redemption centers of the beverage containers
42 for which those initiators have initiated deposits.

1 A. Once approved, the designated pick-up agent shall permit any initiator of deposit
2 that is not a member of a commingling group to become a party to the special
3 commingling agreement.

4 B. The department shall adopt rules governing approval and administration of the
5 special commingling agreement, which must include, but are not limited to, rules
6 regarding the administration of the agreement, data and reporting requirements for
7 initiators that are party to the agreement, beverage container sorting and auditing
8 requirements and the process for addressing container count discrepancies and return
9 of containers not covered by the agreement. Rules adopted pursuant to this paragraph
10 are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.
11 This subsection does not apply to the commingling program described in subsection 3-B.

12 Sec. 26. 38 MRSA §3107, sub-§3-A, as amended by PL 2019, c. 526, §8, is
13 repealed.

14 Sec. 27. 38 MRSA §3107, sub-§3-B is enacted to read:

15 3-B. Commingling program operated by commingling cooperative. Subject to the
16 requirements of this subsection and notwithstanding any provision of this chapter to the
17 contrary, by April 15, 2024, all commingling groups established under this section shall
18 collectively establish a commingling cooperative to provide for the management of all
19 beverage containers subject to the requirements of this chapter under a single commingling
20 program, referred to in this subsection as "the program."

21 A. The cooperative must be established as a nonprofit organization exempt from
22 taxation under the United States Internal Revenue Code of 1986, Section 501(c)(3).
23 The cooperative must be governed by a board that represents the range of beverages
24 and beverage container material types subject to the requirements of this chapter and
25 that includes representatives of dealers, pick-up agents, recycling facilities, redemption
26 centers that primarily sort containers manually and redemption centers that primarily
27 sort containers using reverse vending machines or an account-based bulk processing
28 program.

29 B. By July 15, 2024, the cooperative shall submit a plan for the operation of the
30 program to the department for review and approval. The plan must include, but is not
31 limited to:

32 (1) The method by which the program will facilitate the transition from beverage
33 container sorting at redemption centers by brand to sorting by material type and,
34 for redemption centers that manually sort containers, by size within each material
35 type. The program may facilitate the negotiation of agreements with redemption
36 centers to gather brand data through use of reverse vending machines, account
37 based bulk processing programs or similar technology as long as the cost of such
38 data collection is paid by the program;

39 (2) Standards to provide for fair apportionment of costs among the commingling
40 groups included in the program, which may be based on:

41 (a) The combined beverage container sales by the initiators of deposit that are
42 members of each commingling group; or

1 (b) The unit or brand counts generated by reverse vending machines or
2 account-based bulk processing programs as long as the reverse vending
3 machines or account-based bulk processing programs are subject to periodic
4 3rd-party audits on a schedule approved by the department and with the costs
5 of those audits paid by the program;

6 (3) A method for determining the rate of redemption for beverage containers,
7 expressed as a percentage of the beverage containers redeemed that are available
8 for redemption; the variation in the rate of redemption between beverage type or
9 beverage container type; and the difference in the rate of redemption by county or
10 other geographic division of the State. The method for determining the redemption
11 rate may not include in its calculation any unredeemed beverage containers
12 collected or processed by municipal or other recycling programs. The program
13 must ensure that a single redemption rate, determined by the method specified in
14 the plan, is used by all commingling groups and initiators of deposit to determine
15 cost apportionment pursuant to subparagraph (2);

16 (4) A budget for the program that includes, but is not limited to, identification of
17 any start-up costs for the program that will not be ongoing, including, but not
18 limited to, the costs of the study described in paragraph F, and a description of the
19 method by which the cooperative will determine and collect payments from
20 commingling groups to cover the program's start-up costs;

21 (5) The method by which the cooperative will collect deposits from initiators of
22 deposit for nonrefillable beverage containers and handling fees for redeemed
23 containers, whether directly from the initiator of deposit or through the
24 commingling group of which the initiator of deposit is a member. The program
25 must ensure that an initiator of deposit is not required to pay any handling fees for
26 its beverage containers that exceeds the applicable redemption rate for those
27 containers as calculated pursuant to subparagraph (3);

28 (6) A description of how the cooperative intends to maintain and expend
29 unclaimed beverage container deposits in accordance with section 3108-A;

30 (7) A description of how the cooperative will provide the department with a
31 proposed beverage container pick-up schedule for each redemption center that is
32 designed to ensure that the pick-up requirements of section 3106, subsection 8 are
33 met and will notify the department of any contractual agreements regarding
34 container pickup between the cooperative and a redemption center as provided in
35 section 3106, subsection 8.

36 (a) The program must ensure that pick-up schedules are designed to reduce
37 transportation distances and minimize costs but must allow each commingling
38 group to contract with a pick-up agent to provide for beverage container pickup
39 of the commingling group's equivalent container material.

40 (b) The program must ensure that, if the cooperative is informed by a
41 commingling group that a pick-up schedule for a redemption center cannot be
42 met, which would result in a violation of section 3106, subsection 8, the
43 cooperative notifies the department in writing prior to the occurrence of such
44 a violation;

1 (8) Information on how the cooperative will be responsible for and ensure payment
2 to a dealer or redemption center within 10 calendar days of any beverage container
3 pickup of all applicable deposits and handling fees for the beverage containers
4 picked up from the dealer or redemption center; an additional processing fee of 1¢
5 for each container processed using a reverse vending machine; the applicable costs
6 of receptacles, dumpsters and plastic bags provided to the dealer or redemption
7 center in accordance with section 3106, subsection 9; and any contractually agreed
8 upon payments to the dealer or redemption center for data collection in accordance
9 with subparagraph (1);

10 (9) Information on how the cooperative will ensure that each commingling group
11 and each initiator of deposit that is a member of the commingling group maintains
12 ownership over the commingling group's and initiator of deposit's share of the
13 beverage containers redeemed, collected and processed for recycling under the
14 program;

(10) Information on how the cooperative will work with redemption centers to ensure that
refillable beverage containers are collected at all locations that accept nonrefillable containers,
and that refillable containers remain intact;

(11) A description of how the cooperative will utilize and support the transition of
existing redemption and reverse distribution infrastructure throughout the state to collect, clean,
and return refillable containers to initiators of deposit for refill and recirculation into the market,
including but not limited to the development of centralized wash and sanitization facilities.

15 (10) Information on how the cooperative will calculate the base rates offered for
16 the processing of beverage containers using an account-based bulk processing
17 program or pick-up agents;

18 (11) A certification that the cooperative will not share, except with the department
19 as necessary, information provided by a commingling group or initiator of deposit
20 that is proprietary information and that is identified by the commingling group or
21 initiator of deposit as proprietary information. The certification must include a
22 description of the methods by which the cooperative intends to ensure the
23 confidentiality of that information;

24 (12) Information on how the cooperative will maintain a publicly accessible
25 website regarding the program that includes, at a minimum, the following:

26 (a) A searchable list of all initiators of deposit and beverage container label
27 registrations, including for beverages sold directly to consumers in the State,
28 in a manner that allows redemption centers, dealers and consumers to obtain
29 up-to-date information regarding whether a particular beverage is authorized
30 for sale and redemption in the State;

31 (b) A form that may be submitted electronically through which a person may
32 notify the cooperative of unregistered beverage container labels in accordance
33 with section 3105, subsection 5-A;

34 (c) A search function through which consumers can identify nearby dealers or
35 redemption centers offering redemption services based on information made
36 available to the cooperative by the department; and

37 (d) The base rates for the processing of beverage containers by container type
38 as determined in accordance with subparagraph (10);

39 (13) A proposed timeline for implementation of the program plan if approved
40 designed to ensure implementation of the plan on or before January 15, 2025 and
41 a description of how the cooperative will notify commingling groups, initiators of
42 deposit, dealers, distributors, pick-up agents and other affected entities regarding
43 program implementation, which must include, but is not limited to, posting of
44 information relating to program implementation on the website described in

45 subparagraph (12); and

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(14) Any other information required by the department.

C. Within 120 days of receipt of a plan submitted by the cooperative under paragraph B, the department shall review the plan and approve the plan, approve the plan with conditions or reject the plan. Prior to determining whether to approve or reject a plan, the department shall hold a public hearing on the plan. The department shall notify the cooperative in writing of its determination and, if the plan is approved with conditions or rejected, shall include in the notification a description of the basis for the conditions or rejection.

(1) If the cooperative's plan is rejected, it may submit a revised plan to the department within 60 days of receiving the notice of rejection. The department may approve the revised plan as submitted or approve the revised plan subject to the implementation of specific changes required by the department.

(2) If the cooperative's plan is approved in accordance with this paragraph, the cooperative shall implement the plan on or before January 15, 2025 in accordance with the timeline for implementation described in paragraph B, subparagraph (13), subject to any changes or conditions imposed by the department. If the cooperative fails to implement an approved plan on or before January 15, 2025, the initiators of deposit that are members of each of the commingling groups included in the cooperative are deemed to be in violation of this chapter and are subject to penalties pursuant to section 3111.

D. If the department determines that the program implemented by the cooperative pursuant to a plan approved under paragraph C has failed to make adequate progress toward fulfilling the requirements of the plan, the department shall notify the cooperative in writing of its determination and may direct the cooperative to implement specific changes to the program within 30 days of the date of the notification.

E. On or before April 1, 2026, and annually thereafter, the cooperative shall submit to the department and make available on its publicly accessible website a report that includes, but is not limited to:

(1) Contact information for the cooperative and a list of all initiators of deposit and beverage container label registrations, including for beverages sold directly to consumers in the State;

(2) Information on the rates of redemption for beverage containers calculated in accordance with plan requirements under paragraph B, subparagraph (3). The report must include information regarding the total number of beverage containers subject to the requirements of this chapter sold or distributed in the State during the prior calendar year by the members of each commingling group, aggregated within each commingling group to provide only a total, aggregated number for each commingling group. If the cooperative determines that the overall statewide redemption rate for beverage containers is less than 85%, the report must include recommendations for increases in the deposit and refund value for beverage containers;

1 (3) Detailed information on the expenditure of unclaimed deposit funds in the prior
2 calendar year, including a description of any activities funded through such
3 expenditures in accordance with section 3108-A and the progress made through
4 such expenditures to increase the use of redemption technologies, increase the rate
5 of beverage container redemption, support container recycling and support the use
6 of refillable and reusable containers;

7 (4) A description of the education and outreach efforts implemented under the
8 program in the prior calendar year to encourage participation in the beverage
9 container redemption program, reduce instances of fraud in redemption and
10 educate businesses and consumers on the value and safety of refillable beverage
11 containers. The report must include the results of an assessment, completed by an
12 independent 3rd party, of the effectiveness of the efforts;

13 (5) Any recommendations for changes to the program to improve the convenience
14 of the collection system under the program, consumer education or program
15 evaluation and any goals for supporting the use of refillable and reusable 16 containers;

17 (6) A financial report on the program, as determined through a 3rd-party financial
18 audit, that identifies the total cost of implementing the program and the specific
19 administration, collection, transportation, disposition and communication costs for
20 the program and an anticipated budget for the subsequent program year; and

21 (7) Any other information required by the department.

22 F. Within 90 days of receiving approval of a program plan from the department under
23 paragraph C, the cooperative, in consultation with the department, shall contract with
24 an independent 3rd party to conduct a study: examining operating costs for redemption
25 centers of a variety of sizes, in a variety of geographical locations and using a variety
26 of redemption technologies; analyzing the effects that eliminating brand sorting of
27 beverage containers may have on transportation costs and redemption center operating
28 costs, including, but not limited to, labor and utilities costs; recommending a handling
29 fee schedule and payment schedule designed to facilitate a stable and sustainable
30 redemption system; and recommending other recycling-related services that may be
31 provided at redemption centers to support statewide recycling efforts and diversify the
32 redemption center business model.

33 (1) In consultation with the department, the cooperative shall ensure that the study
34 contract specifies the scope of the study and provides for publication of an interim
35 progress report or reports and a final report. All costs associated with the study
36 must be paid by the cooperative.

37 (2) The cooperative shall provide any interim progress reports and the final report
38 under subparagraph (1) to the department and, after receipt of the final report, the
39 department shall provide a copy of the final report, along with any additional
40 comments or recommendations of the department, to the joint standing committee
41 of the Legislature having jurisdiction over environment and natural resources
42 matters. After reviewing the report and the department's additional comments or
43 recommendations, if any, the committee may report out legislation relating to the
44 report or to the department's comments or recommendations.

1 G. The cooperative shall pay to the department a reasonable annual fee established by
2 the department, not to exceed \$400,000, as provided in this paragraph.

3 (1) On or before January 15, 2025, the cooperative shall pay to the department the
4 annual fee under this paragraph to cover the department's costs for review of the
5 program plan submitted by the cooperative pursuant to paragraph B and the
6 department's costs prior to program plan implementation in its oversight of the
7 development and implementation of the commingling program under this
8 subsection. The department may require the cooperative to pay a portion of the fee
9 required under this subparagraph at the time the cooperative submits a program
10 plan for review and approval pursuant to paragraph B to cover the department's
11 cost for review of the program plan.

12 (2) On or before April 1, 2026, and annually thereafter, the cooperative shall pay
13 to the department the annual fee under this paragraph to cover the department's
14 costs for review of the cooperative's annual report under paragraph E and the
15 department's costs in the prior calendar year for its oversight, administration and
16 enforcement of the commingling program implemented under this subsection. The
17 cooperative shall pay the fee required pursuant to this subparagraph at the time it
18 submits the annual report required pursuant to paragraph E.

19 H. Reports submitted to the department under this subsection must be made available
20 to the public on the department's publicly accessible website, except that proprietary
21 information submitted to the department in a plan, in an amendment to a plan or
22 pursuant to reporting requirements of this subsection that is identified by the submitter
23 as proprietary information is confidential and must be handled by the department in the
24 same manner as confidential information is handled under section 1310-B.

25 I. Beginning January 15, 2025, an initiator of deposit that is not in compliance with all
26 applicable requirements of the single commingling program implemented pursuant to
27 this subsection:

28 (1) Commits a violation of this chapter and is subject to penalties pursuant to
29 section 3111; and

30 (2) Is prohibited from selling or distributing in the State any beverage container
31 subject to the requirements of this chapter as long as the violation exists. A
32 distributor or dealer may not sell or distribute in the State any such containers of
33 the initiator of deposit, and the department may remove from sale any such
34 containers of the initiator of deposit.

35 The department may adopt rules as necessary for the implementation of this subsection and
36 the oversight of the cooperative. Rules adopted pursuant to this subsection are routine
37 technical rules as defined in Title 5, chapter 375, subchapter 2-A.

38 Sec. 28. 38 MRSA §3107, sub-§4, as enacted by PL 2015, c. 166, §4, is amended
39 by enacting at the end a new first blocked paragraph to read:

40 This subsection does not apply to the commingling program described in subsection 3-B.

41 Sec. 29. 38 MRSA §3107, sub-§5, as enacted by PL 2019, c. 526, §8 is amended
42 by enacting at the end a new first blocked paragraph to read:

43 This subsection does not apply to the commingling program described in subsection 3-B.

1 Sec. 30. 38 MRSA §3108, as enacted by PL 2015, c. 166, §14, is repealed.

2 Sec. 31. 38 MRSA §3108-A is enacted to read:

3 §3108-A. Unclaimed deposits

4 This section governs unclaimed beverage container deposits.

5 1. Commingling group; unclaimed deposits. Prior to January 15, 2025, unclaimed
6 deposits for nonrefillable beverage containers that are subject to a commingling agreement
7 pursuant to section 3107, subsection 1-A or 1-B are the property of the members of the
8 commingling group administering the agreement. The commingling group shall determine
9 the disposition and use of such unclaimed deposits.

10 2. Commingling cooperative; unclaimed deposits. Beginning January 15, 2025,
11 unclaimed deposits for nonrefillable beverage containers subject to the requirements of this
12 chapter are the property of the cooperative and must be deposited and maintained by the
13 cooperative in a separate account and expended only in accordance with this subsection.

14 A. Except as provided in paragraph B, the cooperative may not expend unclaimed
15 deposit amounts to offset costs incurred by the program, including, but not limited to,
16 the costs of beverage container pickups; payment to dealers or redemption centers of
17 required handling fees under section 3106, subsection 7 of up to 6¢ per beverage
18 container; and any legal fees or any fines incurred by the cooperative, a commingling
19 group or an initiator of deposit.

20 B. The cooperative shall expend unclaimed deposit amounts for all of the following
21 purposes:

22 (1) Payment of the annual fee to the department as provided in section 3107,
23 subsection 3-B, paragraph G;

24 (2) Reasonable costs of administering the program under section 3107, subsection
25 3-B, including, but not limited to, staffing costs and office operating costs;

26 (3) Costs of educational materials and signage provided to dealers and redemption
27 centers regarding redemption instructions and other information, including
28 information regarding the fraudulent redemption of beverage containers in
29 accordance with section 3106, subsection 10;

30 (4) Reimbursement to dealers and redemption centers of the costs of receptacles,
31 dumpsters and plastic bags pursuant to section 3106, subsection 9;

32 (5) Payments to persons notifying the cooperative of unregistered labels in
33 accordance with section 3105, subsection 5-A;

34 (6) Contractually obligated payments to redemption centers for the collection of
35 brand data in accordance with section 3107, subsection 3-B, paragraph B,
36 subparagraph (1);

37 (7) Payments to dealers or redemption centers of required handling fees under
38 section 3106, subsection 7 in excess of 6¢ per beverage container and payment to
39 dealers or redemption centers of the required 1¢ per container processing fee for
40 containers processed using a reverse vending machine as provided in section 3107,
41 subsection 3-B, paragraph B, subparagraph (8); and

1 (8) Payments to support activities of the cooperative or others designed to increase
2 the use of reusable and refillable beverage containers and other reusable and refillable packaging
3 in the State, including, but
4 not limited to:

4 (a) Completion of a market analysis for a refillable beverage container
5 program in the State no later than January 15, 2026 to determine a feasible deadline for the reuse
6 targets established in section 3120;

6 (b) Development and implementation of, including the purchase of necessary
7 materials and supplies for, pilot projects to determine options for financially
8 viable models for refillable beverage container washing techniques, including,
9 but not limited to, mobile washing stations, shipment of containers to washing
10 facilities outside the State, in-house washing stations and establishment of a
11 fixed washing facility in the State;

12 (c) Identification of container, adhesive and label options for refillable
13 beverage containers capable of being used by manufacturers of different types
14 of beverages; and

15 (d) Outreach and education to manufacturers, retailers, restaurants and
16 consumers regarding the financial and environmental benefits of refillable
17 beverage containers and regarding the processes and methods available for
18 ensuring such containers may be safely reused.

19 C. On or before April 1, 2026, and annually thereafter, the cooperative shall:

20 (1) Calculate the total amount of deposits determined to be unclaimed during the
21 prior calendar year and the total amount of such deposits expended by the
22 cooperative in accordance with paragraph B during the prior calendar year; and

23 (2) If the total amount of unclaimed deposits in the prior calendar year exceeds the
24 total amount of such deposits expended by the cooperative in the prior calendar
25 year, as determined under subparagraph (1), the cooperative shall turn over to the
26 State Tax Assessor by April 1st that excess amount, which must be deposited in
27 the General Fund.

28 The department shall adopt rules as necessary to implement this section.

29 Sec. 32. 38 MRSA §3109, sub-§5-A, as enacted by PL 2019, c. 526, §9, is amended
30 to read:

31 **4. Redemption center acceptance refund account.** A licensed redemption center may
not refuse to accept from any consumer or dealer any **refillable or nonrefillable beverage**
container that is empty, unbroken and reasonably clean ~~beverage container~~ of the kind, size and
brand sold in the State as long as the label for the container is registered under [section 3105,](#)
[subsection 5](#) or refuse to pay in cash the refund value of the returned beverage container as
established by [section 3103](#). A redemption center or reverse vending machine is not obligated to
count containers or to pay a cash refund at the time the beverage container is returned as long as
the amount of the refund value due is placed into an account to be held for the benefit of the
consumer and funded in a manner that allows the consumer to obtain deposits due within 2
business days of the time of the return. **Refillable containers must be collected in such a**
manner so as not to destroy the container such that it can no longer be reused.

32 5-A. Beverage container handling. A redemption center shall tender to pick-up
33 agents only beverage containers sold in the State that are placed in shells, shipping cartons,
34 bags or other receptacles in a manner that facilitates accurate eligible beverage container
35 unit counts or, in the case of containers processing through a reverse vending machine or
36 account-based bulk processing program, accurate data regarding the brand, material type
and the count or the weight of the eligible beverage containers.

37 Sec. 33. 38 MRSA §3109, sub-§5-B, as amended by PL 2019, c. 526, §9, is further
38 amended to read:

39 5-B. Beverage container auditing. A redemption center shall prepare beverage
40 containers for pickup by pick-up agents, which are subject to audit pursuant to rules
41 adopted by the department in accordance with this subsection.

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1 A. A redemption center shall label each shell, shipping carton, bag or other receptacle
2 with the business name, initials, redemption center license number or other unique
3 identifying mark and with the number of beverage containers contained in each shell,
4 shipping carton, bag or other receptacle or, in the case of containers processed through
5 a reverse vending machine or account-based bulk processing program, information
6 regarding the material type and the count or weight of the beverage containers
7 contained in the shell, shipping carton, bag or other receptacle.

8 B. The department may audit shells, shipping cartons, bags or other receptacles that
9 have been prepared for pickup by a redemption center.

10 (1) An audit may be conducted by the department on site at the redemption center
11 or off site at a different location. Off-site audits may involve the use of bulk 12 redemption
technology.

13 (2) An audit must be conducted on a minimum of 1,000 beverage containers or, in
14 the case of containers processing through a reverse vending machine or account
15 based bulk processing program, on an equivalent amount by weight of the same
16 material type.

17 (3) ~~If the results of an audit vary from the beverage container count labeled in~~
18 ~~accordance with information included on the label of the shell, shipping carton,~~
19 ~~bag or other receptacle required by paragraph A, the department shall, in the case~~
20 ~~of an on-site audit, require the redemption center to add or remove containers or~~
21 ~~an equivalent weight of the same material type to address the variation in the results~~
22 ~~of the audit or, in the case of an off-site audit, require the redemption center to~~
23 ~~accept payment from the initiator of deposit or pick-up agent adjusted in~~
24 ~~accordance with the variation in the results of the audit.~~

25 (4) The department may deny an application for approval of a redemption center
26 under subsection 2 if the redemption center, pursuant to audits conducted by the
27 department in accordance with this subsection, has repeatedly prepared for pickup
28 shells, shipping cartons, bags or other receptacles containing less than 97% of the
29 beverage containers or equivalent weight of the same material type that such shells,
30 shipping cartons, bags or other receptacles are labeled as containing.

31 Sec. 34. 38 MRSA §3113, sub-§3, as amended by PL 2019, c. 526, §10, is further
32 amended by amending the first blocked paragraph to read:

33 For a municipality with a population of no more than 5,000, the department may license
34 redemption centers in accordance with rules adopted by the department. Notwithstanding
35 the population requirements of this subsection, the department may grant a license to a
36 redemption center if the redemption center is proposed to be located within 10 miles of a
37 dealer, as measured along public roadways, and there are no other redemption centers
38 located within 10 miles of that dealer.

39 Sec. 35. 38 MRSA §3114, sub-§2, as enacted by PL 2015, c. 166, §14, is amended
40 to read:

41 2. Sources of money. The fund consists of the following:

42 A. Fees for issuance of licenses and license renewals under section 3113;

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1 B. Fees for registration of beverage container labels and registration renewals under
2 section 3105, subsection 5; ~~and~~.

3 This paragraph is repealed January 15, 2025;

4 B-1. The annual fee paid by the commingling cooperative pursuant to section 3107,
5 subsection 3-B, paragraph G; and

6 C. All other money appropriated or allocated for inclusion in the fund.

7 Sec. 36. 38 MRSA §3115, sub-§1, as enacted by PL 2015, c. 166, §14, is repealed.

8 Sec. 37. 38 MRSA §3115, sub-§3 is enacted to read:

9 3. Report. On or before February 15, 2024, and annually thereafter, the department
10 shall report to the joint standing committee of the Legislature having jurisdiction over
11 environment and natural resources matters on the status of the beverage container
12 redemption program implemented under this chapter. The report must include any
13 recommendations, including draft legislation as necessary, for amendments to this chapter
14 necessary for its administration or to better fulfill the purpose described under section 3101.
15 After reviewing the report, the committee may report out legislation relating to the report.
16 The report under this subsection may be included in the report required pursuant to section
17 1772, subsection 1.

18 Sec. 38. 38 MRSA §3119, as enacted by PL 2019, c. 526, §14, is repealed.

19 Sec. 39. A new section is added to 38 MRSA as follows:

38 MRSA §3120. Refillable beverage container requirements.

The Department shall enact regulations to ensure that no later than the deadlines determined by the refillable beverage containers market analysis per section 3108-A, not less than 5% of covered beverage containers sold in state shall be sold in in refillable containers. The Department shall include a subsequent deadline, determined by the refillable beverage containers market analysis per section 3108-A to increase the share of refillable beverage containers in the state to not less than 10%.

20 Sec. 39. Department of Environmental Protection; beverage container
21 redemption program report. The Department of Environmental Protection, in the
22 report required by the Maine Revised Statutes, Title 38, section 3115, subsection 3 that is
23 due February 15, 2024, shall include additional recommendations, including proposed
24 legislation, for any necessary changes to the laws governing the beverage container
25 redemption program to ensure the timely and successful implementation of the special
26 commingling agreement pursuant to Title 38, section 3107, subsection 1-B and the single
27 commingling program operated by a commingling cooperative pursuant to Title 38, section
28 3107, subsection 3-B. The report may include additional recommendations for changes to
29 the laws governing the beverage container redemption program determined necessary by
the department.

30 Sec. 40. Effective dates. That section of this Act that enacts the Maine Revised
31 Statutes, Title 38, section 3108-A and those sections of this Act that amend Title 36, section
32 112, subsection 8; Title 38, section 3102, subsection 16-A; Title 38, section 3106,
33 subsection 5; and Title 38, section 3106, subsection 6 and that section of this Act that
34 repeals Title 38, section 3108 and that section of this Act that repeals and replaces Title 38,
35 section 3106, subsection 8 take effect April 15, 2024. Those sections of this Act that repeal
36 Title 38, section 3115, subsection 1 and Title 38, section 3119 take effect January 15, 2025.

37 SUMMARY

38 This bill makes multiple changes to the beverage container redemption laws, including
39 the following.

40 1. It increases the amount of the reimbursement of beverage container handling costs
41 paid by an initiator of deposit to a dealer or redemption center from 4 1/2¢ per container to
42 6¢ per container beginning September 1, 2023.

1 2. It requires the Department of Environmental Protection, on or before January 15,
2 2025, and biennially thereafter, to adopt rules adjusting the applicable amount of the
3 reimbursement of beverage container handling costs by any percentage change in the
4 Consumer Price Index from January 1st to December 31st of the previous year.

5 3. It requires all initiators of deposit to enter into a commingling agreement no later
6 than April 15, 2024 and authorizes the approval of a special commingling agreement for
7 initiators of deposit that are not members of a commingling group and that cannot in the
8 aggregate satisfy the requirements for a qualified commingling agreement under current
9 law.

10 4. It requires all established commingling groups by April 15, 2024 to establish a
11 nonprofit commingling cooperative to provide for the management of beverage containers
12 under a single commingling program. By July 15, 2024, the cooperative must submit a
13 plan for the operation of the commingling program to the department for review and
14 approval, which the department must complete within 120 days of receipt. The plan must
15 be designed to provide for implementation of the commingling program on or before
16 January 15, 2025. Among other duties, this commingling program is required to use
17 unclaimed container deposits to make a variety of expenditures to support the functions of
18 the program and the beverage container redemption system.

19 5. It specifies that, on or before February 15, 2024, and annually thereafter, the
20 department must report to the joint standing committee of the Legislature having
21 jurisdiction over environment and natural resources matters on the status of the beverage
22 container redemption program, including any recommendations for necessary amendments
23 to the beverage container redemption laws. For the report due February 15, 2024, it
24 requires the department to include recommendations for amendments to the laws necessary
25 to ensure the timely and successful implementation of the special commingling agreement
26 and the single commingling program operated by a commingling cooperative.