

1 H.495

2 Introduced by Representative Mrowicki of Putney

3 Referred to Committee on

4 Date:

5 Subject: Conservation and development; beverage container redemption
6 system; unclaimed deposits

7 Statement of purpose of bill as introduced: This bill proposes to require
8 beverage manufacturers and distributors to remit abandoned beverage
9 container deposits to the State for deposit in the Waste Management Assistance
10 Fund to assist solid waste management districts and municipalities in
11 complying with state law requirements regarding the recycling of mandated
12 recyclables, food residuals, and leaf and yard residuals.

13 An act relating to unclaimed beverage container redemption deposits

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

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

16 § 1521. DEFINITIONS

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

18 (1) "Beverage" means beer or other malt beverages and mineral waters,
19 mixed wine drink, soda water ~~and~~, carbonated soft drinks, noncarbonated
20 water, and all nonalcoholic carbonated or noncarbonated drinks in liquid form

1 and intended for human consumption, except for rice milk, soymilk, milk, and
2 dairy. As of January 1, 1990, “beverage” also shall mean liquor.

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

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

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

14 (5) “Manufacturer” means every person bottling, canning, packing, or
15 otherwise filling containers for sale to distributors or dealers.

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

19 (7) “Redemption center” means a store or other location where any
20 person may, during normal business hours, redeem the amount of the deposit

1 for any empty beverage container labeled or certified pursuant to section 1524
2 of this title.

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

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

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

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

14 Sec. 2. 10 V.S.A. § 1530 is added to read:

15 § 1530. ABANDONED DEPOSITS; DEPOSIT TRANSACTION

16 ACCOUNT; BEVERAGE REDEMPTION FUND

17 (a) A deposit initiator shall open a separate interest-bearing account in a
18 Vermont branch of a financial institution to be known as the deposit
19 transaction account. The deposit initiator shall keep the deposit transaction
20 account separate from all other revenues and accounts. Each deposit initiator
21 shall deposit in the deposit transaction account the refund value established by

1 section 1522 of this title for all beverage containers sold by the deposit
2 initiator. The deposit initiator shall deposit the refund value for each beverage
3 container in the account not more than three business days after the date the
4 beverage container is sold. All interest, dividends, and returns earned on the
5 deposit transaction account shall be paid directly to the account and may be
6 transferred from the deposit transaction account for use by the deposit initiator.

7 (b) Beginning July 10, 2014 and by the tenth day of each month thereafter,
8 every deposit initiator shall report to the Secretary of Natural Resources and
9 the Commissioner of Taxes concerning transactions affecting the deposit
10 initiator's deposit transaction account in the preceding month. The report shall
11 be submitted on a form provided by the Commissioner of Taxes and shall
12 include:

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

14 (2) the number of nonreusable beverage containers sold in the preceding
15 month and the number of nonreusable beverage containers returned in the
16 preceding month;

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

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

1 (5) any income earned on the deposit transaction account in the
2 preceding month;

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

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

6 (c) On or before July 10, 2014 and on the tenth day of each month
7 thereafter, each deposit initiator shall remit from its deposit transaction account
8 to the Commissioner of Taxes any abandoned beverage container deposits
9 from the preceding month. The amount of abandoned beverage container
10 deposits for a month is the amount equal to the amount of deposits that should
11 be in the account less the sum of:

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

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

15 (d) The Secretary of Natural Resources may prohibit the sale of a beverage
16 that is sold or distributed in the State by a deposit initiator who fails to comply
17 with the requirements of this chapter. The Secretary may allow the sale of a
18 beverage upon the deposit initiator's coming into compliance with the
19 requirements of this chapter.

20 (e) The abandoned beverage container deposits remitted to the
21 Commissioner of Taxes under subsection (c) of this section shall be deposited

1 in the Solid Waste Management Assistance Account of the Waste Management
2 Assistance Fund established under section 6618 of this title for use in funding
3 the capital infrastructure and other costs associated with meeting the
4 requirements under 10 V.S.A. chapter 159 regarding the recycling of mandated
5 recyclables, food residuals, and leaf and yard residuals.

6 Sec. 3. 10 V.S.A. § 6618 is amended to read:

7 § 6618. WASTE MANAGEMENT ASSISTANCE FUND

8 (a) There is hereby created in the state treasury a fund to be known as the
9 ~~waste management assistance fund~~ Waste Management Assistance Fund, to be
10 expended by the ~~secretary of the agency of natural resources~~ Secretary of
11 Natural Resources. The ~~fund~~ Fund shall have three accounts: one for solid
12 waste management assistance, one for hazardous waste management
13 assistance, and one for electronic waste collection and recycling assistance.
14 The ~~hazardous waste management assistance account~~ Hazardous Waste
15 Management Assistance Account shall consist of a percentage of the tax on
16 hazardous waste under the provisions of 32 V.S.A. chapter 237, as established
17 by the ~~secretary~~ Secretary, the toxics use reduction fees under
18 subsection 6628(j) of this title, and appropriations of the ~~general assembly~~
19 General Assembly. In no event shall the amount of the hazardous waste tax
20 which is deposited to the ~~hazardous waste management assistance account~~
21 Hazardous Waste Management Assistance Account exceed 40 percent of the

1 annual tax receipts. The ~~solid waste management assistance account~~ Solid
2 Waste Management Assistance Account shall consist of the franchise tax on
3 waste facilities assessed under the provisions of ~~subchapter 13 of~~ 32 V.S.A.
4 ~~chapter 151 of Title 32,~~ subchapter 13, unclaimed beverage container deposits
5 collected under section 1530 of this title, and appropriations of the ~~general~~
6 ~~assembly~~ General Assembly. The ~~electronic waste collection and recycling~~
7 ~~account~~ Electronic Waste Collection and Recycling Account shall consist of
8 the program and implementation fees required under section 7553 of this title.
9 All balances in the ~~fund~~ Fund accounts at the end of any fiscal year shall be
10 carried forward and remain a part of the ~~fund~~ Fund accounts, except as
11 provided in subsection (e) of this section. Interest earned by the ~~fund~~ Fund
12 shall be deposited into the appropriate ~~fund~~ Fund account. Disbursements
13 from the ~~fund~~ Fund accounts shall be made by the ~~state treasurer~~ State
14 Treasurer on warrants drawn by the ~~commissioner of finance and management~~
15 Commissioner of Finance and Management.

16 (b) The ~~secretary~~ Secretary may authorize disbursements from the ~~solid~~
17 ~~waste management assistance account~~ Solid Waste Management Assistance
18 Account for the purpose of enhancing solid waste management in the ~~state~~
19 State in accordance with the adopted waste management plan. This includes:

20 (1) the costs of implementation planning, design, obtaining permits,
21 construction and operation of state or regional facilities for the processing of

1 recyclable materials and of waste materials that because of their nature or
2 composition create particular or unique environmental, health, safety, or
3 management problems at treatment or disposal facilities;

4 * * *

5 (5) the costs of developing markets for recyclable material;

6 * * *

7 (11) the capital costs and other costs incurred by a solid waste
8 management district or municipality in order to comply with the requirements
9 of this chapter regarding the recycling of mandated recyclables, food residuals,
10 and leaf and yard residuals.

11 * * *

12 Sec. 4. EFFECTIVE DATES

13 This section and Secs. 1 (definitions), 2 (abandoned deposits), and 3 (Waste
14 Management Assistance Fund) of this act shall take effect on passage, except
15 that 10 V.S.A. § 1521(1) shall take effect on January 1, 2014.