

1 Introduced by Representative Cina of Burlington

2 Referred to Committee on

3 Date:

4 Subject: Conservation and development; solid waste; single use plastic

5 containers; deposit-redemption system

6 Statement of purpose of bill as introduced: This bill proposes to expand the

7 beverage container redemption system to apply to single-use plastic containers

8 of consumer products.

9 An act relating to including single-use plastic containers in the deposit
10 redemption system

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

12 Sec. 1. 10 V.S.A. chapter 53 is amended to read:

13 CHAPTER 53. BEVERAGE CONTAINERS AND SINGLE-USE PLASTIC

14 CONTAINERS; DEPOSIT-REDEMPTION SYSTEM

15 § 1521. DEFINITIONS

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

17 (1) “Beverage” means beer or other malt beverages and mineral waters,

18 mixed wine drink, soda water, and carbonated soft drinks in liquid form and

19 intended for human consumption. As of January 1, 1990 “beverage” also shall

20 mean liquor.

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

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

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

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

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

18 (7) “Redemption center” means a store or other location where any
19 person may, during normal business hours, redeem the amount of the deposit
20 for any empty beverage container or empty single-use plastic container labeled
21 or certified pursuant to section 1524 of this title.

1 (8) “Secretary” means the Secretary of Natural Resources.

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

8 (10) “Liquor” means spirits as defined in 7 V.S.A. § 2.

9 (11) “Consumer product” means any product that is regularly used or
10 purchased to be used for personal, family, household, commercial, or industrial
11 purposes.

12 (12) “Plastic” means a synthetic material made from organic polymers,
13 including polypropylene and polystyrene, that can be molded into shape while
14 soft, and then set into a rigid or slightly elastic form.

15 (13) “Single use” means a product that is designed and intended to be
16 used only once and that is generally recognized by the public as an item to be
17 discarded after one use.

18 § 1522. BEVERAGE CONTAINERS AND SINGLE-USE PLASTIC

19 CONTAINERS; DEPOSIT

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

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

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

16 (c) [Repealed.]

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

1 § 1522a. RULES

2 The Secretary may adopt rules, in accordance with 3 V.S.A. chapter 25,
3 necessary for the administration of this chapter. These rules may include the
4 following:

5 (1) Provisions to ensure that beverage containers and single-use plastic
6 containers not labeled in accordance with section 1524 of this title are not
7 redeemed.

8 (2) Provisions to ensure that beverage containers and single-use plastic
9 containers are commingled.

10 (3) Administrative penalties for the failure by a redemption center or
11 retailer to remove beverage containers or single-use plastic containers that are
12 not labeled prior to pickup by a distributor or manufacturer. Penalties may
13 include nonpayment of the deposit and handling fee established under section
14 1522 of this title for a reasonable period of time and for the number of
15 beverage containers or single-use plastic containers that were not labeled.

16 (4) Any other provision that may be necessary for the implementation of
17 this chapter.

18 § 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

19 (a) Except as provided in section 1522 of this title:

20 (1) A retailer shall not refuse to accept from any person any empty
21 beverage containers or single-use plastic containers, labeled in accordance with

1 section 1524 of this title, of the kind, size, and brand sold by the retailer, or
2 refuse to pay to that person the refund value of a beverage container or a
3 single-use plastic container as established by section 1522 of this title, except
4 as provided in subsection (b) of this section.

5 (2) A manufacturer or distributor may not refuse to pick up from a
6 retailer that sells its product or a person operating a certified redemption center
7 any empty beverage containers or single-use plastic containers, labeled in
8 accordance with section 1524 of this title, of the kind, size, and brand sold by
9 the manufacturer or distributor, or refuse to pay the retailer or a person
10 operating a redemption center the refund value of a beverage container or a
11 single-use plastic container as established by section 1522 of this title.

12 (b) A retailer, with the prior approval of the Secretary, may refuse to
13 redeem beverage containers or single-use plastic containers if a redemption
14 center or centers are established that serve the public need.

15 (c) A retailer or a person operating a redemption center may refuse to
16 redeem beverage containers or single-use plastic containers that are not clean,
17 or are broken, and shall not redeem beverage containers or single-use plastic
18 containers that are not labeled in accordance with section 1524 of this title.

19 * * *

1 § 1524. LABELING

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

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

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

19 (d) The Secretary may allow, in the case of single-use plastic containers, a
20 conspicuous, adhesive sticker to be attached to indicate the deposit information
21 required in subsection (a) of this section, provided that the size, placement, and

1 adhesive qualities of the sticker are as approved by the Secretary. The stickers
2 shall be affixed by the manufacturer.

3 § 1525. PROHIBITIONS

4 (a)(1) No beverage shall be sold or offered for sale at retail in this State:

5 ~~(1)~~ (A) in a metal container designed and constructed so that part of the
6 container other than a piece of pressure sensitive tape is detachable in opening
7 the container; or

8 ~~(2)~~ (B) in containers connected to each other with plastic rings or similar
9 devices that are not classified as biodegradable by the Secretary.

10 For the purposes of this subsection only, the word “beverage” includes all
11 drinks sold in liquid form intended for human consumption, whether or not
12 specifically listed in section 1521 of this chapter.

13 (b) The Secretary of Natural Resources may exempt specific products from
14 subdivision (a)(1) of this section for so long as existing technology does not
15 permit compliance for those products.

16 (c) No distributor shall sell or offer for sale in this State a brand of
17 beverage in a beverage container labeled as provided in subsection 1524(a) of
18 this title if that distributor sells that beverage container containing that brand in
19 a state that does not have a deposit-redemption system similar to the one
20 established by this chapter and that is adjacent to this State. A distributor that

1 violates this subsection is prohibited from selling or offering those beverages
2 for sale in this State until the violation is corrected.

3 (d) No person shall knowingly attempt to redeem a beverage container or a
4 single-use plastic container to a retailer or a redemption center for deposit
5 return if that container was purchased outside this State.

6 * * *

7 § 1528. BEVERAGE CONTAINER AND SINGLE-USE PLASTIC
8 CONTAINER REGISTRATION

9 No distributor or manufacturer shall sell a beverage container or a single-
10 use plastic container in the State of Vermont without the manufacturer
11 registering the beverage container or the single-use plastic container with the
12 Agency of Natural Resources prior to sale, unless distributed by the
13 Department of Liquor Control. This registration shall take place on a form
14 provided by the Secretary and include the following:

- 15 (1) the name and principal business address of the manufacturer;
- 16 (2) the name of the beverage or consumer product and the container
17 size;
- 18 (3) whether the beverage container or single-use plastic container is a
19 part of an approved commingling agreement; and

1 (4) the name of the person picking up the empty beverage container or
2 empty single-use plastic container, if that person is different from the
3 manufacturer.

4 * * *

5 § 1530. ABANDONED BEVERAGE CONTAINER AND SINGLE-USE
6 PLASTIC CONATINER DEPOSITS; DEPOSIT TRANSACTION
7 ACCOUNT; ~~BEVERAGE REDEMPTION FUND~~

8 (a) As used in this section, “deposit initiator” means the first distributor or
9 manufacturer to collect the deposit on a beverage container or a single-use
10 plastic container sold to any person within the State.

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

15 (c) Beginning on October 1, 2019, each deposit initiator shall deposit in its
16 deposit transaction account the refund value established by section 1522 of this
17 title for all beverage containers and single-use plastic containers sold by the
18 deposit initiator. The deposit initiator shall deposit the refund value for each
19 beverage container or single-use plastic container in the deposit transaction
20 account not more than ~~three~~ 30 business days after the date on which the
21 beverage container or the single-use plastic container is sold. All interest,

1 dividends, and returns earned on the deposit transaction account shall be paid
2 directly to the account. The deposit initiator shall pay all refunds on returned
3 beverage containers or single-use plastic containers from the deposit
4 transaction account.

5 (d) Beginning on January 1, 2020, and quarterly thereafter, every deposit
6 initiator shall report to the Secretary of Natural Resources and the
7 Commissioner of Taxes concerning transactions affecting the deposit
8 initiator's deposit transaction account in the preceding quarter. The deposit
9 initiator shall submit the report on a form provided by the Commissioner of
10 Taxes. The report shall include:

11 (1) the balance of the deposit transaction account at the beginning of the
12 preceding quarter;

13 (2) the number of beverage containers or single-use plastic containers
14 sold in the preceding quarter and the number of beverage containers single-use
15 plastic containers returned in the preceding quarter;

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

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

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

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

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

6 (e)(1) On or before January 1, 2020, and quarterly thereafter, each deposit
7 initiator shall remit from its deposit transaction account to the Commissioner
8 of Taxes any abandoned beverage container or single-use plastic container
9 deposits from the preceding quarter. The amount of abandoned beverage
10 container or single-use plastic container deposits for a quarter is the amount
11 equal to the amount of deposits that should be in the deposit transaction
12 account less the sum of:

13 (A) income earned on amounts on the deposit transaction account
14 during that quarter; and

15 (B) the total amount of refund value paid out by the deposit initiator
16 for beverage containers or single-use plastic containers during that quarter.

17 (2) In any calendar quarter, the deposit initiator may submit to the
18 Commissioner of Taxes a request for reimbursement of refunds paid under this
19 chapter that exceed the funds that are or should be in the deposit initiator's
20 deposit transaction account. The Commissioner of Taxes shall pay a request

1 for reimbursement under this subdivision from the funds remitted to the
2 Commissioner under subdivision (1) of this subsection, provided that:

3 (A) the Commissioner determines that the funds in the deposit
4 initiator's deposit transaction account are insufficient to pay the refunds on
5 returned beverage containers or single-use plastic containers; and

6 (B) a reimbursement paid by the Commissioner to the deposit
7 initiator shall not exceed the amount paid by the deposit initiator under
8 subdivision (1) of this subsection (e) during the preceding 12 months less
9 amounts paid to the initiator pursuant to this subdivision (2) during that same
10 12-month period.

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

16 Sec. 2. EFFECTIVE DATE

17 This act shall take effect on July 1, 2019.