

OFFICE OF FISCAL ANALYSIS

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EMERGENCY CERTIFICATION

SB-299

AN ACT CONCERNING REDEMPTION OF OUT-OF-STATE
BEVERAGE CONTAINERS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Department of Energy and Environmental Protection	GF - Cost	162,608	162,608
State Comptroller - Fringe Benefits ¹	GF - Cost	68,002	68,002
Department of Energy and Environmental Protection	GF - Revenue Gain	77,500	77,500
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below
Department of Revenue Services	GF - See Below	See Below	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes a number of changes to the state's bottle bill redemption and escheats law which results in the following fiscal impacts:

Section 1 results in an annual cost to the Department of Energy and Environmental Protection (DEEP) of approximately \$230,610. The cost to DEEP is associated with two new full-time Environmental Analyst 2

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

positions with an annual salary of \$81,304 and corresponding fringe benefits of \$34,001. The new staff would be responsible for supporting the redemption center licensing and enforcement work, including processing licensing applications, investigating complaints, providing compliance, and pursuing enforcement, including civil penalties.

Additionally, this results in an annual General Fund revenue gain of approximately \$77,500 associated with the newly established \$2,500 licensing fee. It is estimated that there are approximately 31 redemption centers in the state that would qualify for the new license.

Section 1 also makes it an unfair trade practice violation for dealer or redemption centers to issue a refund for beverage containers that were not sold in this state resulting in no fiscal impact because the Department of Consumer Protection can process and investigate any new violations with existing staff.

Section 2 (1) increases General Fund bottle bill escheats and (2) establishes an over-redemption rebate program, both in FY 27 only. This results in no net budgetary impact as it is revenue neutral.

Increasing, from 5% to 25%, the percentage of bottle bill escheats retained in the General Fund results in a revenue gain of \$8 million. The rebate program allows eligible deposit initiators to recoup amounts by which they are over-redeemed² subject to an overall cap estimated at \$8 million.³

Section 3 allows the Attorney General to institute a civil action to recover civil penalties for certain violations resulting in a potential

² Based on data through December 31, 2025, there are 45 deposit initiators with a cumulative negative balance of approximately \$20 million. It is uncertain how many of these deposit initiators would be eligible for a rebate under the parameters of the bill.

³ The bill specifies that the rebate is equal to the negative balance eligible deposit initiators report as of the quarter ending June 30, 2026, up to an aggregate cap of 80% of the unclaimed bottle deposit revenue projected for FY 27 based on the April 30, 2026, consensus revenue estimate. Based on current estimates it is anticipated that the aggregate cap would apply. It should be noted that the April 30, 2026, consensus revenue estimate does not itemize bottle deposit revenue.

revenue gain to the state to the extent violations occur and civil penalties are recovered.

Section 3 also creates a new class A misdemeanor, which results in a potential revenue gain to the General Fund from fines.

Section 4 repurposes \$250,000 in funding in FY 26 from the State Police for enforcement of the ban on illegal bottle redemption toward DEEP for designing, implementing, and operating redemption center licensing.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the number of violations under the bill.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.