
OLR Bill Analysis

sSB 457

AN ACT CONCERNING THE STATE'S BOTTLE BILL.

SUMMARY

This bill makes several changes to the state's beverage container redemption law ("bottle bill"). (The state's bottle bill generally requires a deposit to be charged on each beverage container at the time of purchase, which is then refunded to the consumer when it is redeemed at a retailer or redemption center.)

Among other things, the bill:

1. reactivates and expands prior requirements for the formation of a beverage container stewardship organization (§ 1);
2. requires the Department of Energy and Environmental Protection (DEEP) to study the effectiveness of Public Act 26-2 by December 31, 2026, request an attorney general opinion on possible statutory changes if not effective, and submit a report to the Environment Committee by March 1, 2027 (§ 2);
3. increases the amount of unclaimed bottle deposits that deposit initiators must remit to the General Fund beginning FY 28 (§ 5);
4. bans dealers from collecting or charging a refund value on beverage containers not purchased in Connecticut and makes violations class A or B misdemeanors depending on the volume of containers (§ 6);
5. requires distributors to remove empty beverage containers within seven days after receiving a written or electronic notice from a dealer or redemption center, and applies the bottle bill's fines to violations (§ 3);

6. requires distributors and deposit initiators to accept scrap equivalents from, and pay refund values and handling fees for, dealers and redemption centers that use reverse vending machines (RVM), if the RVM meets requirements established by the DEEP commissioner in regulations (§ 4); and
7. bans dealers and redemption centers from misrepresenting the size, brand, or quantity of beverage containers given to distributors, and applies the bottle bill's fines to violations (§ 7).

EFFECTIVE DATE: October 1, 2026

§ 1 — STEWARDSHIP ORGANIZATION

Current law requires the DEEP commissioner to approve an application for formation of a beverage container stewardship organization (organization) by deposit initiators (generally, the first entity to collect a deposit on a beverage container) if requested and subject to certain requirements. It also requires an approved organization to submit a plan for the commissioner's review and approval to operate the statewide stewardship program. This organization never formed under the current law. The bill reactivates the existing requirements (with new deadlines) and adds new requirements.

Stewardship Application

The bill requires the organization to apply to the DEEP commissioner by December 1, 2027, or later if approved by the commissioner, to show that it:

1. is a 501(c)(3) federally tax-exempt organization;
2. has a governing board of deposit initiators reflecting the range of beverages and container material subject to the bottle bill; and
3. has adequate financial responsibility and financial controls in place, including fraud prevention measures and an audit schedule, to ensure proper management of funds.

As under existing law, the bill requires all deposit initiators to join and register with the organization within three months after DEEP approves it. Any deposit initiator wanting to sell beverage containers in the state after that time must register and join the organization at least 90 days before selling them in Connecticut.

Stewardship Plan

The bill requires an approved organization to submit a plan to operate a statewide beverage container stewardship program (program) for the DEEP commissioner's review and approval. The plan must be submitted within 180 days after DEEP approves the organization.

As under existing law, the bill requires the organization, while developing the plan, to get input from members of the independent redemption centers community, municipal resource recovery facilities, municipal leaders, wine and spirits distributors, and RVM operators. The bill prohibits the commissioner from approving a plan without verifying that the organization received this input.

Under the bill, like current law, an organization's plan must show how the organization will operate and finance a program for redeeming and recycling beverage containers in the state. It must include details on the following:

1. achieving and exceeding an annual redemption rate of 80% by a specified timeline;
2. achieving financial self-sustainability;
3. achieving verifiable performance metrics for enhanced customer satisfaction with, and access to, the beverage container redemption system;
4. adopting policies and making investments to ensure that recovered materials are returned to their highest and best use;
5. how the program will use existing collection and redemption centers in Connecticut;

6. the redemption rate in Connecticut when the plan is created and the projected rates over the next five years under the proposed program, and any recommended refund value for containers to achieve those projected rates;
7. how it will cost the state or any other program participants;
8. revenues that return to the state under the program and any projected loss to the state's use or collection of that revenue in the next five fiscal years;
9. any legislative changes needed to carry out the plan;
10. how it will prevent redemption in Connecticut of containers purchased outside of Connecticut and any related fraudulent activities; and
11. anything else the DEEP commissioner specifies.

Under the bill, the DEEP commissioner can provide conditions for approval to ensure compliance with the above requirements.

The bill also requires the organization, within one year after its plan is approved, and then annually on December 1, to submit to the DEEP commissioner a report detailing the organization's and program's compliance with the approved plan.

DEEP Recommendations

The bill requires the DEEP commissioner, by December 1, 2027, to submit recommendations to the Environment Committee about any plan that has been submitted to the department. (However, as the bill requires organizations to apply to DEEP by December 1, 2027, and they then have 180 days to submit a plan for approval, there may not be any plan approved the time DEEP must submit recommendations under this provision.)

§ 2 — PUBLIC ACT 26-2 STUDY

Under the bill, by December 31, 2026, the DEEP commissioner must study the effectiveness of PA 26-2 and specifically determine if the act

was effective in reducing the “over-redemption” of beverage containers in Connecticut. (Over-redemption is generally the illegal or improper redemption of containers.) If she finds the act was generally not effective, the commissioner also must seek an attorney general opinion on the likely outcome of statutorily requiring manufacturers to have Connecticut-specific labels on beverage containers to identify those sold in Connecticut. However, she must seek this opinion only if PA 26-2 was not successful in both (1) creating a statewide redemption rate between 100% and 75% and (2) significantly lowering the redemption rates for distributors that were more than 100% on March 3, 2026.

Any request to the attorney general must ask for an assessment of the likely outcome of requiring specific labeling, as analyzed under the precedent of the U. S. Court of Appeals for the Sixth Circuit (see BACKGROUND) and any other directly applicable precedents, considering the measures in PA 26-2 and any other state law requirements or provisions to deter fraud and illegal redemption.

The bill requires the DEEP commissioner to submit a report on the study and any attorney general opinion to the Environment Committee by March 1, 2027. The report must at least include any resulting legislative recommendations.

§ 5 — UNCLAIMED BOTTLE DEPOSITS REMITTED TO THE GENERAL FUND

By law, deposit initiators must remit a percentage of unclaimed bottle deposits to the General Fund each quarter, based on the average statewide redemption rate for the preceding fiscal year. The bill increases the required remittance for FY 28 and beyond from:

1. 5% to 25% of unclaimed deposits if the prior year’s redemption rate was 75% or more,
2. 10% to 50% of unclaimed deposits if the prior year’s redemption rate less than 75% but more than 65%,
3. 25% to 75% of unclaimed deposits if the prior year’s redemption rate was 65% or less but more than 60%, and

4. 45% to 100% of unclaimed deposits if the prior year's redemption rate was 60% or less.

§ 6 — OUT-OF-STATE REFUND CHARGE BAN AND PENALTIES

By law, dealers (those who engage in the sale of beverages in beverage containers in Connecticut, but not redemption centers) cannot collect or charge a refund value on containers purchased outside of Connecticut. Violators are fined according to the bottle bill's existing penalties (CGS §§ 22a-244 & 22a-246, as amended by PA 26-2; see BACKGROUND). The bill imposes higher penalties for willful conduct.

Specifically, under the bill, willfully collecting or charging a refund value on containers purchased outside of Connecticut, or directing another to do so, for 5,000 or more containers in one or more transactions during a calendar year is a class B misdemeanor (punishable by up to 6 months in prison, a \$1,000 fine, or both). Willfully doing so, or directing another to do so, for 20,000 or more containers in a one-year period is a class A misdemeanor (punishable by up to 364 days in prison, a \$2,000 fine, or both).

The bill specifies that this does not apply to a common or contract carrier, or warehouse worker, that is lawfully transporting or storing beverage containers as merchandise. It also does not apply to the employees of those carriers or workers that act within the scope of their employment.

§§ 3, 4 & 7 — BOTTLE BILL REQUIREMENTS

Removing Empty Beverage Containers (§ 3)

Under the bill, distributors (which include any person who engages in the sale of beverages in beverage containers to dealers in Connecticut) must remove all of their accumulated empty beverage containers within seven days after receiving a written or electronic notice from a dealer or redemption center. A distributor who does not is fined under the bottle bill's existing penalties (see BACKGROUND).

By law, distributors generally cannot refuse to accept, or refuse to pay a refund value for, any empty beverage containers of the kind, size, and

brand sold by the distributor, from dealers or operators of redemption centers. Distributors must remove empty beverage containers from the premises of dealers serviced by them, or from redemption centers sponsored by dealers serviced by the distributor, so long as those premises are within the distributor's territory (CGS § 22a-245(c)).

RVM Scrap Requirement (§ 4)

Under the bill, distributors and deposit initiators cannot refuse the scrap equivalent of beverage containers from dealers or redemption centers that use RVMs for redeeming containers of the kind, size, and brand sold, or distributed, by the distributor or deposit initiator, solely because the container was processed and comingled through an RVM, so long as that RVM meets requirements established by the DEEP commissioner. The distributor or deposit initiator must pay the refund value, handling fee, and any other payment required for a beverage container processed by an RVM.

The bill requires the DEEP commissioner to adopt regulations to establish standards for RVMs, which must include standards for accuracy, fraud prevention, data retention, and reporting requirements.

Container Misrepresentation (§ 7)

Under the bill, dealers and redemption centers cannot misrepresent the size, brand, or quantity of beverage containers provided to distributors from the dealer's or redemption center's premises. A dealer or redemption center that does is fined according to the bottle bill's existing penalties.

BACKGROUND

PA 26-2 and Bottle Bill Penalties

PA 26-2 makes a series of changes to the state's bottle bill. Among other things, the act increases the:

1. required remittance of unclaimed bottle bill deposits to the General Fund for FY 27 if the average statewide redemption rate for FY 26 was over 60% and

2. fines for violating the bottle bill's requirements to: (1) between \$500-\$750 for a first offense; (2) \$750-\$1,000 for a second offense; and (3) \$2,000 and a class A misdemeanor for any third or subsequent offense (and allows civil penalties to be brought). It also gives municipal police enforcement authority over these violations.

Sixth Circuit Precedent

In 2008, Michigan passed several provisions aimed at preventing the fraudulent redemption of out-of-state containers. One provision required manufacturers to include a unique label (for example, a symbol or mark) on containers that could not be used in other states without substantially similar bottle bills. The unique label would allow an RVM to determine if a container was returnable in Michigan. But this requirement was invalidated in 2013. In striking down the requirement, the Sixth Circuit determined that the statute directly regulated sales occurring in other states, violating the U.S. Constitution's Commerce Clause (*Am. Beverage Ass'n v. Snyder*, 735 F.3d 362 (6th Cir. 2013)).

Related Bill

SB 516, favorably reported by the Finance, Revenue and Bonding Committee, would among other things, (1) revert the deposit on beverage containers to 5 cents from 10 cents under certain conditions and (2) allow certain deposit initiators that were over-redeemed to apply to the Office of Policy and Management for full reimbursement of their loss.

COMMITTEE ACTION

Environment Committee

Joint Favorable
Yea 19 Nay 15 (03/18/2026)