



128th MAINE LEGISLATURE

LD 1703

LR 2632(03)

An Act To Create Equity for Wine and Spirits Container Deposits

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Environment and Natural Resources

Fiscal Note Required: Yes

Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Appropriations/Allocations				
State Alcoholic Beverage Fund	\$0	\$207,000	\$161,700	\$177,870

Fiscal Detail and Notes

This bill would create a uniform refund value of 5¢ for all returnable beverage containers starting March 1, 2019. Because the bottle redemption program is included in the spirits administration contract with Pine State Trading Company, this change would require an addendum to the current contract. As a result of the new redemption value, the spirits contract vendor would be required to phase in new redemption stickers and to affix new redemption stickers to any remaining inventory in stock that was purchased prior to, and that remained unsold on, March 1, 2019. Additionally, because the Bureau of Alcoholic Beverages and Lottery Operations acts as the initiator of deposits on Spirits purchased under the spirits contract, the bureau will be required to reimburse agency liquor stores for the cost difference between the deposits on spirits purchased before March 1, 2019 and the refund value on those same purchases still unsold or returned after that date. The bill includes a one-time allocation of \$60,000 in fiscal year 2018-19 to reimburse agency liquor stores. This bill also increases the rate of handling cost reimbursement paid by the initiator of deposit to a dealer or local redemption center from 4¢ a container to 4.5¢ a container. The bill includes an ongoing allocation of \$147,000 beginning in fiscal year 2018-19 for this purpose. It is anticipated that the Alcoholic Beverages Fund will have sufficient revenue to fund these allocations in the near future. However, the additional expenditures from the fund may eventually put required payments to the Maine Municipal Bond Bank at risk.

Any additional costs to the Department of Environmental Protection as a result of changes to the redemption value are anticipated to be minor and can be absorbed within existing budgeted resources.