



129th MAINE LEGISLATURE

LD 248

LR 109(04)

An Act To Increase the Handling Fee for Beverage Containers Reimbursed to Redemption Centers

Fiscal Note for Senate Amendment " " to Committee Amendment "A"

Sponsor: Sen. Foley of York

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Appropriations/Allocations				
State Alcoholic Beverage Fund	\$19,044	\$124,282	\$135,590	\$148,373

Fiscal Detail and Notes

This amendment removes a reduction of one-half a cent in the reimbursement paid per returned beverage container by the initiator of deposit to dealers and local redemption centers under the state bottle redemption program if the container is subject to a commingling agreement. Because the Bureau of Alcoholic Beverages and Lottery Operations (BABLO) functions as the initiator of deposit for all spirits sold in Maine, the amendment includes additional allocations for the Alcoholic Beverages Fund of \$19,044 in fiscal year 2019-20 and \$124,282 in fiscal year 2020-21 for removal of the commingling discount. Because the bottle redemption program and any payments required by the initiator of deposit are included in the spirits administration contract with Pine State Trading Company, this change will require the contract to be renegotiated.

It is anticipated that the Alcoholic Beverages Fund will have sufficient revenue to fund the additional allocations for the foreseeable future. However, additional expenditures from the fund may put required future payments to the Maine Municipal Bond Bank at risk.

This amendment also prohibits the issuance by the Department of Environmental Protection (DEP) of new redemption center licenses after May 1, 2019 until January 15, 2020, while allowing currently licensed redemption centers to renew licenses. This prohibition will result in a minor Other Special Revenue Funds revenue loss for the department. The amendment also directs the DEP to require the submission of additional information from initiators of deposit regarding their activities in the beverage container redemption program. Any additional costs to BABLO as an initiator of deposit or the DEP as a result of this requirement are anticipated to be minor and can be absorbed within existing budget resources.