

James M. Jeffords Center's  
Vermont Legislative Research Service  
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Bottle Bills

A 'bottle bill' is a law that requires a minimum refundable deposit on alcoholic, soft drink, and other beverage containers in order to insure a high rate of recycling or reuse. There are 11 states that have enacted such bottle bills. Bottle bills attempt to encourage consumers to return bottles to a retail store or redemption center, where they subsequently receive a deposit pre-determined by state law. Container manufacturers are then required to pay handling fees to redemption centers and retail stores that participate in the reclamation of recyclable containers.<sup>1</sup> Thus, both the redemption center and returnee receive monetary compensation for specific bottle types returned.<sup>2</sup>

Bottles are processed differently in each state due to the existence of varying state redemption laws. For example, Vermont participates in a 'co-mingling redemption program, which is defined as the sorting of beverage containers at a redemption center by material type rather than brand in accordance with the requirements of an approved mingling agreement.<sup>3</sup> Manufacturers that are not part of a co-mingling program require that the redemption centers separate containers for pickup and then pay the redemption center a four-cent handling fee. Manufacturers that allow their containers to be co-mingled with other brands of containers can take advantage of a lower 3.5-cent fee.<sup>4</sup> Brand owners that wish to create a co-mingling program must follow certain procedures, which are outlined in the Vermont Department of Environmental Conservation January 2010 report to legislature on the mingling pilot program.<sup>5</sup>

## States with Bottle Redemption

As indicated in Figure 1, ten states and one territory have bottle bills in place: California, Connecticut, Hawaii, Iowa, Maine, Massachusetts, Michigan, New York, Oregon, Vermont, and the U.S. territory of Guam.<sup>6</sup> Delaware previously had a bottle bill in place, which was repealed and replaced with a temporary tax in June 2010.<sup>7</sup>

Figure 1: States and Territories in the U.S. with Bottle Bills

Source: Container Recycling Institute, "Bottle Bills in the USA," accessed January 25, 2012  
<http://www.bottlebill.org/legislation/usa.htm>

### Vermont

Vermont passed the nation's first bottle bill in 1953 named the Beverage Container Law, which banned the sale of beer in non-refillable bottles. The legislature then allowed the bill to expire four years later as a result of strong lobbying pressure from the beer industry. Vermont's current bottle bill was the second passed in the United States. It was enacted to reduce litter, increase recycling, reduce waste disposal costs, create local jobs and save energy.<sup>8</sup> The original law covered all beer and soda containers, and was the first to include a handling fee of 3.5 cents for retailers.<sup>9</sup> In 1991, the Beverage Container Law was expanded to include liquor.<sup>10</sup>

<sup>6</sup> Container Recycling Institute, "What is a Bottle Bill?"

<sup>7</sup> Delaware State Senate 145

Vermont's handling fee has created a large number of redemption centers.



ounce (oz) containers and 20z plastic containers sold in a volume over 500,000 cases per year. They also created penalties for participating in fraudulent redemption.<sup>23</sup> Fraudulent redemption in Michigan can result in penalties up to five years in prison, a fine of \$5,000, and restitution.<sup>24</sup>

Figure 2: Beverage Container Redemption Rates in States with Bottle Redemption Programs vs. the U.S. Average

Source: Container Recycling Institute, "Bottle Bills Promote Recycling and Reduce Waste," last updated 2005, accessed on January 26, 2012, <http://www.bottlebill.org/about/benefits/waste.htm>.

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## California

California enacted its first bottle bill in 1986 which was updated in 2007 through the California Beverage Container Recycling and Litter Reduction Act (AB 702). Beverages covered under

Redemption amounts for consumers are five cents per container under 24 ounces and 10 cents per container larger than 24oz. Reclamation sites in California include state certified redemption centers, registered curbside operations, and drop centers.<sup>25</sup> The state pays a 0.86-cent handling fee per container to supermarkets, non-profit convenience recycling, and rural region recyclers.<sup>26</sup> The unredeemed profits from the program (profit from unreturned beverage containers) are property of the state. These profits are used for program administrative fees and non-profit grants. The program has been successful with a 66% redemption rate in 2011 of all beverage containers. Redemption rates have increased drastically over the years from 52% in 1988 to 86% in 2011.<sup>27</sup>

## Delaware

Delaware's bottle bill was enacted in 1982.<sup>28</sup> The bill originally placed a five-cent deposit on beer, malt, ale, soft drink, mineral water, and soda water bottles. Bottles were redeemable at retail locations and redemption centers.<sup>29</sup> The five-cent deposit fee was intended to establish producer and consumer responsibility.<sup>31</sup>

In May 2010, the Delaware Legislature approved the bill that would repeal the previously existing bottle bill. This replaced the five-cent deposit for bottle redemption with a four-cent, non-refundable recycling fee. The fee was intended to create a fund for curbside recycling programs. The bill also requires that all private and municipal waste haulers offer curbside recycling services for single-family homes by September 2011, for multi-family homes by 2013, and for commercial buildings by 2014.<sup>32</sup>

Delaware legislators in favor of the repeal believe that the original bottle bill was ineffective in promoting recycling. Officials noted that many retail locations refused to accept returned bottles.<sup>33</sup> Compared to other states with bottle bill legislation, Delaware's redemption rate was considerably lower. In 2004 the recycling rate was found to be 16%.<sup>34</sup>

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<sup>25</sup> Container Recycling Institute, "Bottle Bills in the USA: California," Bottle Bill Resource Guide, last modified November 7, 2007, accessed January 25, 2012, <http://www.bottlebill.org/legislation/usa/california.htm#refp>

<sup>26</sup> NewPoint Group, "Processing Fee and Handling Fee Cost Surveys: Handling Fee Final Report," last modified March 8, 2010, accessed January 26, 2012, <http://www.calrecycle.ca.gov/BevContainer/Fees/Handling/FinalReport>, 532.

<sup>27</sup> CalRecycle, "Biannual Report of Beverage Container Sales, Returns, Redemption & Recycling Rates," accessed February 2, 2012, <http://www.bottlebill.org/assets/pdfs/legis/usa/CA2011Novrates.pdf>

<sup>28</sup> Container Recycling Institute, "Delaware," 2011, accessed on February 8, 2012, <http://www.bottlebill.org/legislation/usa/delaware.htm>

<sup>29</sup> Container Recycling Institute, "Delaware."

<sup>30</sup> Container Recycling Institute, "Delaware."

<sup>31</sup> Container Recycling Institute, "Delaware Replaces Bottle Deposits With Controversial Recycling Fee," last modified in 2010, accessed on February 1, 2012, <http://www.bottlebill.org/news/articles/2010/DE-17-DEReplacesBottleDeposits.htm>

<sup>32</sup> Container Recycling Institute, "Delaware Replaces Bottle Deposits With Controversial Recycling Fee."

<sup>33</sup> Container Recycling Institute, "Delaware Replaces Bottle Deposits With Controversial Recycling Fee."

<sup>34</sup> Delaware Solid Waste Authority, "Estimated Statewide Residential Recycling Rates," last modified in 2004, accessed on February 8, 2012,

## Canadian Provinces with Bottle Redemption

Every Canadian Province has some form of policy or regulation with respect to beverage container waste management. In eight provinces, the law requires a deposit system for most or all beverage containers. This forces the producers and retailers to bear the costs of the system—full producer responsibility. Other provinces, such as Manitoba and Ontario, have voluntary redemption programs. In all ten provinces, beer containers are collected via deposit return systems because of either government mandate or industry self-regulation.<sup>35</sup>

Ontario has two different program initiatives for container collection and redemption. Ontario created the Municipal Blue Box Program in 1994, which is a provinceluntrluncont1( Ma)-1(f2in)1(1(c)-1hosit 09Tc -0.002 TStvevince2 160.Tc 0 T Tw2 13.Tw 13.he094c -0.001 Tfondat(th4(a)-1-)1(e)-2(l-35.

authorities operate or contract out material curbside programs. The program is funded through a two-cent Container Recycling Fee (CRF), which is voluntarily paid by most non-alcoholic beverage stewards (distributors and first importers). This cost is then passed on to the consumer at retailers. Refillable and non-refillable beer containers are collected and paid for



Table 1: Bottle Bill Details

State	Name	Dates	Beverages Covered	Containers Covered	Amount for Deposit	Handling Fee	Other Fees	Reclamation System	Unredeemed Deposits
VT	Beverage Container Law (1972), Solid Waste Act (1987)	Enacted 4/7/72, Implemented 7/1/73							



Enacted 170



				gallon					
CA	California Beverage Container Recycling and Litter Reduction Act (AB 2020)	Enacted 9/29/1986 Implemented 9/1/1987	Beer, malt, wine & distilled spirits coolers, all non-alcoholic beverages except milk	Aluminum, glass, plastic and bi metal. Exempts refillables	(10¢: 24oz and greater) and (5¢: under 24oz.)	(Paid by state to supermarket sites, nonprofit convenience zone recyclers, and rural region recyclers.) .859¢	Beverage manufacturers pay Processing Fees to offset recyclers costs when the cost of recycling exceeds the value of material. Processing Payments paid by state to redemption centers. Processing fees and payments vary by container type.	State certified redemption centers, registered curbside operations, dropoffs	Property of state: used for program administration and grants to non-profits
HI	Solid Waste Management; Deposit Beverage Container Law (Act 176)	Enacted 6/25/02, Implemented 1/1/05	All nonalcoholic drinks, except for milk or dairy products, and limited alcoholic drinks (beer, malt beverages, mixed spirits, mixed wine).	Aluminum, bi metal, glass, plastic (PET and HDPE only) up to 68 oz.	5¢	Variable fee of 2-4¢ paid to redemption centers from the Deposit Beverage Container Fund.	1¢ non-refundable "container fee" (added to price of beverage) paid to fund redemption centers.	Certified Redemption Centers (CRCs) operated by privately owned by State permitted Solid Waste facilities.	Property of state: used for program administration

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