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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO HEALTH AND SAFETY -- BEVERAGE CONTAINER DEPOSIT
RECYCLING ACT OF 2022

Introduced By: Senators Valverde, Euer, Miller, DiMario, Calkin, Gallo, Sosnowski,
Kallman, Lawson, and Murray

Date Introduced: February 15, 2022

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 23 of the General Laws entitled "HEALTH AND SAFETY" is hereby
2 amended by adding thereto the following chapter:

3 CHAPTER 18.18

4 BEVERAGE CONTAINER DEPOSIT RECYCLING ACT OF 2022

5 **23-18.18-1. Findings/Purpose.**

6 (a) Single-use beverage containers are significant contributors to litter and marine debris;

7 (b) Recycling collection rates for beverage containers in Rhode Island are significantly
8 lower than recycling collection rates for beverage containers in states with container deposit
9 systems;

10 (c) Source-separated beverage containers collected via container deposit systems are more
11 likely to be recycled into new beverage containers than are containers collected via mixed-stream
12 recycling;

13 (d) Container deposit systems help create environmentally friendly local jobs;

14 (e) It is in the best interests of the health, safety, and welfare of residents of and visitors to
15 Rhode Island to protect our environment and our natural resources by improving recycling rates
16 and waste diversion through a container deposit system.

17 **23-18.18-2. Definitions.**

18 As used in this chapter:

1 (1) "Beverage" means liquid intended for human consumption, including, but not limited
2 to beer or other malt beverages, wine, liquor, other alcoholic drink as defined in § 3-1-1, soda water
3 or other carbonated soft drinks, water, mineral water, dairy drinks, fruit juices, sports drinks, energy
4 drinks, and iced teas or coffees. The term beverage does not include:

5 (i) A drug regulated under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et
6 seq.);

7 (ii) Infant formula; or

8 (iii) A meal replacement liquid.

9 (2) "Beverage container" means any sealable bottle, can, or jar which is primarily
10 composed of glass, metal, plastic, or any combination of those materials and is produced for the
11 purpose of containing a beverage. The term "beverage container" does not include:

12 (i) Pouches; or

13 (ii) Aseptic packaging, such as drink boxes.

14 (3) "Bottler" means any person filling beverage containers for sale to distributors or dealers,
15 including dealers who bottle or sell their own brand of beverage.

16 (4) "Consumer" means any person who purchases a beverage in a beverage container for
17 use or consumption with no intent to resell such beverage.

18 (5) "Dealer" means any person, including any operator of a vending machine, who engages
19 in the sale of beverages in beverage containers to consumers in this state.

20 (6) "Department" means the department of environmental management.

21 (7) "Deposit initiator" means the first distributor to collect the deposit on a beverage
22 container sold to any person within this state.

23 (8) "Distributor" means any person who engages in the sale of beverages in beverage
24 containers to dealers in this state, including any bottler who engages in such sales.

25 (9) "Redeemer" means every person who demands the refund value provided for herein in
26 exchange for the empty beverage container, but shall not include a dealer as defined in this section.

27 (10) "Redemption center" means any person offering to pay the refund value of an empty
28 beverage container to a redeemer, or any person who contracts with one or more dealers or
29 distributors to collect, sort, and obtain the refund value and handling fee of empty beverage
30 containers for, or on behalf of, such dealer or distributor.

31 (11) "Reusable beverage container" means any beverage container so constructed and
32 designed that it is structurally capable of being refilled and resold by a bottler at least fifty (50)
33 times after its initial use.

34 (12) "Reverse vending machine" means an automated device that uses a laser scanner,

1 microprocessor, or other technology to accurately recognize the universal product code on
2 containers to determine if the container is redeemable and accumulates information regarding
3 containers redeemed, including the number of such containers redeemed, thereby enabling the
4 reverse vending machine to accept containers from redeemers and to issue a scrip or receipt for
5 their refund value.

6 (13) "State-specific UPC code" means a UPC code that is unique to this state or used only
7 in this state and any other states that have a substantially similar refund value law.

8 (14) "Universal product code" or "UPC code" means a standard for encoding a set of lines
9 and spaces that can be scanned and interpreted into numbers to identify a product. UPC code may
10 also mean any accepted industry barcode which replaces the UPC code including EAN and other
11 codes that may be used to identify a product.

12 **23-18.18-3. Refund value; handling fee.**

13 (a) A deposit of not less than ten cents (\$0.10) shall be paid by the consumer to the dealer
14 on each beverage container sold at retail in this state, except for any such beverage containers sold
15 or offered for sale for consumption on an interstate passenger carrier, and refunded to the consumer
16 upon the return of the empty beverage container.

17 (b) A retailer or redemption center who redeems beverage containers shall be reimbursed
18 by the distributor of such beverage containers a handling fee in the amount of three and one-half
19 cents (\$0.035) per container.

20 **23-18.18-4. Acceptance of beverage containers.**

21 (a) A dealer shall accept at their place of business from a redeemer any empty beverage
22 containers of the design, shape, size, color, composition, and brand sold or offered for sale by the
23 dealer, and shall pay to the redeemer the refund value of each such beverage container.
24 Redemptions of refund value must be in legal tender, or a scrip or receipt from a reverse vending
25 machine, provided that the scrip or receipt can be exchanged for legal tender for a period of not
26 less than sixty (60) days without requiring the purchase of other goods. The use or presence of a
27 reverse vending machine shall not relieve a dealer of any obligations imposed pursuant to this
28 section. If a dealer utilizes a reverse vending machine to redeem containers, the dealer shall provide
29 redemption of beverage containers when the reverse vending machine is full, broken, under repair,
30 or does not accept a type of beverage container sold or offered for sale by such dealer.

31 (b) A dealer whose place of business has at least:

32 (1) Ten thousand (10,000) but less than thirty thousand square feet (30,000 ft²) devoted to
33 the display of merchandise for sale to the public shall install and maintain at least two (2) reverse
34 vending machines at the dealer's place of business;

1 (2) Thirty thousand (30,000) but less than sixty thousand square feet (60,000 ft²) devoted
2 to the display of merchandise for sale to the public shall install and maintain at least three (3)
3 reverse vending machines at the dealer's place of business; or

4 (3) Sixty thousand square feet (60,000 ft²) devoted to the display of merchandise for sale
5 to the public shall install and maintain at least four (4) reverse vending machines at the dealer's
6 place of business.

7 The requirements of subsection (b) of this section to install and maintain reverse vending
8 machines shall not apply to a dealer that:

9 (i) Sells only beverage containers of twenty ounces (20 oz.) or less where such beverage
10 containers are packaged in quantities of fewer than six (6);

11 (ii) Sells beverage containers and devotes no more than five percent (5%) of its floor space
12 to the display and sale of consumer commodities; or

13 (iii) Obtains a waiver from the department authorizing dealers to provide consumers with
14 an alternative technology that:

15 (A) Determines if the container is redeemable;

16 (B) Provides protections against fraud through a system that validates each container
17 redeemed by reading the UPC code and, except with respect to refillable containers, renders the
18 container unredeemable;

19 (C) Accumulates information regarding containers redeemed; and

20 (D) Issues legal tender, or a scrip, receipt, or other form of credit for the refund value, that
21 can be exchanged for legal tender for a period of not less than sixty (60) days without requiring the
22 purchase of other goods.

23 (c) A dealer to which subsection (b) of this section does not apply and whose place of
24 business is at least thirty thousand square feet (30,000 ft²) which does not utilize reverse vending
25 machines to process empty beverage containers for redemption shall:

26 (i) Establish and maintain a dedicated area within such business to accept beverage
27 containers for redemption;

28 (ii) Adequately staff such area to facilitate efficient acceptance and processing of such
29 containers during business hours; and

30 (iii) Post one or more conspicuous signs at each public entrance to the business which
31 describes where in the business the redemption area is located.

32 (d) For the purposes of this subsection on any day that a dealer is open for less than twenty-
33 four (24) hours, the dealer may restrict or refuse the payment of refund values during the first and
34 last hour the dealer is open for business.

1 (e) A deposit initiator shall accept from a dealer or redemption center any empty beverage
2 container of the design, shape, size, color, composition, and brand sold or offered for sale by the
3 deposit initiator, and shall pay the dealer or redemption center the refund value of each such
4 beverage container. A deposit initiator shall accept and redeem all such empty beverage containers
5 from a dealer or redemption center without limitation on quantity.

6 (f) A deposit initiator's or distributor's failure to pick up empty beverage containers,
7 including containers processed in a reverse vending machine, from a redemption center, dealer, or
8 the operator of a reverse vending machine, shall be a violation of this chapter.

9 (g) Except as provided in subsection (h) of this section, a bottler shall accept from a dealer
10 or distributor any empty reusable beverage container of the type, size, and brand sold by the bottler
11 within the past sixty (60) days and shall pay the distributor or dealer the refund value of the reusable
12 beverage container plus a handling fee of three and one-half cents (\$0.035) per container if the
13 empty reusable container is presented at the time and location where the distributor or dealer obtains
14 filled reusable beverage containers from the bottler.

15 (h) A dealer, retailer, or redemption center may refuse to accept from a redeemer any empty
16 beverage container that is not clean, is broken, or contains material foreign to the normal contents
17 of the container.

18 (i) The obligations to accept or take empty beverage containers and to pay the refund value
19 and handling fees for such containers as described in this chapter shall apply only to containers
20 originally sold in this state as filled beverage containers. Any person who tenders to a dealer,
21 distributor, redemption center, or bottler more than ten (10) cases of twenty-four (24) empty
22 beverage containers each, which a person knows or has reason to know were not originally sold in
23 this state as filled beverage containers, for the purpose of obtaining a refund value or handling fee,
24 shall be subject to the enforcement action and civil penalties set forth in § 23-18.18-9(c). For the
25 purposes of this section and § 23-18.18-9(c), the term person shall include any individual,
26 partnership, corporation, or other combination or entity.

27 **23-18.18-5. Redemption Centers.**

28 Any person may establish a redemption center and shall have the right to determine what
29 type, size, and brand of beverage container shall be accepted.

30 **23-18.18-6. Labeling.**

31 (a) Every beverage container sold or offered for sale at retail in this state shall clearly
32 indicate by embossing or imprinting on the normal product label, or in the case of a metal beverage
33 container on the top of the container, the words "Rhode Island" or the letters "RI" and the refund
34 value of the container in not less than one-eighth inch (1/8") type size or such other alternate

1 indications as may be approved by the department.

2 (b) The division of commercial licensing and regulation may allow, in the case of liquor or
3 wine bottles, a conspicuous adhesive sticker to be attached to indicate the deposit information
4 required in subsection (a) of this section, provided that the size, placement, and adhesive qualities
5 of the sticker are as approved by the department.

6 (c) A bottler may place on a beverage container a state-specific UPC code as a means of
7 preventing the sale or redemption of beverage containers on which no deposit was initiated.

8 (d) Every operator of a vending machine which sells beverages in beverage containers shall
9 post a conspicuous notice on each vending machine indicating that a refund of not less than ten
10 cents (\$0.10) is available on each beverage container purchased and where and from whom that
11 refund may be obtained. The provisions of this subsection shall not be construed to require such
12 vending machine operators to provide refunds at the premises wherein such vending machines are
13 located.

14 **23-18.18-7. Deposit and disposition of refund values, reports, abandoned deposits,**
15 **and reimbursement.**

16 (a) Each deposit initiator who receives deposits under this chapter shall segregate said
17 deposits in a refund value fund which shall be maintained separately from all other revenues.
18 Amounts in such fund shall not be required by this chapter. For no purpose are amounts in such
19 fund to be regarded as income of the deposit initiator. Said deposit initiator shall report on a monthly
20 basis to the Rhode Island resource recovery corporation and the division of revenue, the amount of
21 said deposits or handling fees received and the amount refunded.

22 (b) Each deposit initiator shall report to the director of the division of revenue by the tenth
23 day of each month, concerning transactions concerning its refund value fund in the preceding
24 month. Such report shall be made in a form prescribed by the director and shall include the number
25 of beverage containers sold and the number of beverage containers returned in that month, the
26 amount of deposits received in and payments made from the fund in that month and the most recent
27 three (3) month period, any income earned on amounts in the refund value fund during the
28 preceding month, the balance in the refund value fund at the close of the preceding month, and such
29 other information as the director of revenue may require in furtherance of the director's duties
30 pursuant to this chapter.

31 (c) Each deposit initiator shall provide a report to the department describing all the types
32 of beverage containers on which it initiates deposits. The report shall include the product name,
33 type of beverage, size, and composition of the beverage container, the presence of any state-specific
34 UPC code and the percentage of products covered by such code, the methods used to prevent the

1 fraudulent sale and redemption of beverage containers, and any other information the department
2 may require. Upon request, a depositor initiator shall also provide to the department a copy of the
3 container label or a picture of any beverage container sold or offered for sale in this state on which
4 it initiates a deposit.

5 (d) At the end of each month, any amounts that are or should be in a deposit initiator's
6 refund value fund and that are in the excess of the sum of:

7 (1) Interest income earned on amounts in the account during that month; and

8 (2) The total amount of refund values received by the deposit initiator for beverage
9 containers during that month and the two (2) preceding months shall be deemed to constitute
10 abandoned deposit amounts. Income earned on the fund may be transferred from the fund for use
11 as funds of the deposit initiator.

12 (e) By the tenth day of each month, each deposit initiator shall turn over to the director of
13 the division of revenue any deposit amounts deemed to be abandoned at the close of the preceding
14 month, pursuant to subsection (d) of this section. Such amounts may be paid from the refund value
15 fund. The amounts collected by the director of the division of revenue pursuant to this subsection
16 shall be deposited in a beverage container recycling fund. The money in this fund shall be used to
17 reimburse the department for all costs incurred in administering the requirements of this chapter.
18 All remaining money in the beverage container recycling fund, after reimbursements to the
19 department, shall be used by the department for forgivable grants to persons, businesses,
20 municipalities, organizations, or other institutions to fund the creation and operation of redemption
21 centers and other redemption sites; for other infrastructure, technology (including reverse vending
22 machines), and costs associated with container redemption; or to provide education related to
23 container collection and redemption pursuant to this chapter. When awarding grants pursuant to
24 this subsection, the department shall consider whether an application for funding will improve
25 access to or information regarding beverage container redemption, and whether it will improve
26 beverage container redemption and recycling.

27 (f) In any month the authorized payments from the refund value fund by a deposit initiator
28 pursuant to § 23-18.18-3(a) exceed the funds that are or should be in its deposit transaction fund,
29 the state shall reimburse the deposit initiator from amounts received pursuant to this section, for
30 those refunds paid by the deposit initiator for beverage containers for which the funds that are or
31 should be in its refund value fund are insufficient; provided however, that such reimbursements to
32 a deposit initiator for a month shall not exceed the excess of:

33 (1) Amounts paid by the deposit initiator to the state pursuant to this section in the
34 preceding twenty-four (24) months over;

1 (2) Amounts paid by this state to the deposit initiator pursuant to this section during the
2 preceding twenty-four (24) months.

3 **23-18.18-8. Holding or connecting devices.**

4 No dealer shall sell or offer for sale in the state containers connected to each other by a
5 separate holding device constructed of plastic rings or any other plastic device.

6 **23-18.18-9. Enforcement.**

7 (a) The director of the department of environmental management shall administer the
8 provisions of §§ 23-18.18-1 through 23-18.18-6. The director shall promulgate rules and
9 regulations to effectuate the purposes of those sections.

10 (b) The director of the department of environmental management shall have the power to
11 adjust the refund value described in § 23-18.18-3 as follows:

12 (1) The director shall establish a process for determining the redemption rate of beverage
13 containers subject to this chapter. The director may establish guidelines or regulations necessary or
14 expedient to determine this rate.

15 (2) Not later than the final day of June of each year, the director shall determine the
16 redemption rate for the previous calendar year.

17 (3) Beginning with the calendar year 2025, if the redemption rate for a given calendar year
18 is found by the director to be less than ninety percent (90%), the director shall increase the refund
19 value by at least five cents (\$0.05) before December 31 of the following calendar year.

20 (4) At their discretion, the director may require an increased refund value for any beverage
21 container.

22 (c) Any person, including a bottler, distributor, retailer, dealer, or redemption center, who
23 violates the provisions of § 23-18.18-4(h), shall be subject to a civil penalty of the greater of one
24 hundred dollars (\$100) for each container or twenty-five thousand dollars (\$25,000) for each tender
25 of containers.

26 (d) Any deposit initiator failing to make full and timely payments, as required by § 23-
27 18.18-7(e), shall pay interest on any unpaid amounts at the rate of one and one-half percent (1.5%)
28 for each month or part thereof until payment is made in full.

29 SECTION 2. This act shall take effect on January 1, 2023.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO HEALTH AND SAFETY -- BEVERAGE CONTAINER DEPOSIT
RECYCLING ACT OF 2022

- 1 This act would create a refundable ten cent (\$0.10) deposit for non-reusable beverage
- 2 containers. A four cent (\$0.04) handling fee would be paid by distributors.
- 3 This act would take effect on January 1, 2023.

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