

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

SENATE BILL

No. 588 Session of  
2009

---

INTRODUCED BY RAFFERTY, EICHELBERGER, FERLO, BROWNE, ORIE,  
WASHINGTON, BRUBAKER, ERICKSON, GREENLEAF, VANCE, WAUGH AND  
BOSCOLA, MARCH 6, 2009

---

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, MARCH 6, 2009

---

AN ACT

1 Providing for the return of beverage containers and for the  
2 powers and duties of the Department of Environmental  
3 Protection; imposing a returnable beverage container  
4 assessment on distributors; providing for duties of  
5 returnable beverage distributors; establishing the Returnable  
6 Beverage Container Fund; and providing for a returnable  
7 deposit value on returnable beverage containers, for  
8 redemption of empty returnable beverage containers, for  
9 redemption centers, for payment of claims from the fund and  
10 for annual report to General Assembly.

11 The General Assembly of the Commonwealth of Pennsylvania  
12 hereby enacts as follows:

13 Section 1. Short title.

14 This act shall be known and may be cited as the Returnable  
15 Beverage Container Act.

16 Section 2. Definitions.

17 The following words and phrases when used in this act shall  
18 have the meanings given to them in this section unless the  
19 context clearly indicates otherwise:

20 "Beverage." Any of the following:

21 (1) Soda water or similar carbonated soft drink.

1 (2) Noncarbonated drink, including, but not limited to,  
2 mineral water, flavored and unflavored water, spring water,  
3 vitamin water and any other water beverage, tea, sports  
4 drink, isotonic drink, beer and other malt beverages.

5 (3) Any other nonalcoholic carbonated and noncarbonated  
6 drink in liquid form that is intended for human consumption.  
7 The term does not include milk or any beverage that is primarily  
8 derived from a dairy product, infant formula and medicine  
9 approved by the Food and Drug Administration.

10 "Consumer." A person who buys a beverage in a returnable  
11 beverage container for use or consumption and pays the deposit.

12 "Dealer." A person who engages in the sale of beverages in  
13 returnable beverage containers to a consumer for off-premises  
14 consumption in this Commonwealth.

15 "Department." The Department of Environmental Protection of  
16 the Commonwealth.

17 "Fund." The Returnable Beverage Container Fund established  
18 under section 5.

19 "On-premises consumption." The consumption of returnable  
20 beverages by a patron immediately and within the area under  
21 control of an establishment, including, but not limited to, a  
22 bar, restaurant, passenger ship or airplane.

23 "Patron." A person who buys a beverage in a returnable  
24 beverage container for use or consumption and does not pay the  
25 deposit.

26 "Person." An individual, partnership, firm, association,  
27 public or private corporation, Federal agency, the Commonwealth  
28 or any of its political subdivisions, trust or any other legal  
29 entity.

30 "Recycling facility." The contiguous land and structures and

1 other appurtenances and improvements on the land used for the  
2 collection, separation, recovery and sale or reuse of secondary  
3 resources that would otherwise be disposed of as solid waste and  
4 are an integral part of a manufacturing process aimed at  
5 producing a marketable product made of postconsumer material.

6 "Redeemer." A person, other than a dealer or distributor,  
7 who demands the refund value in exchange for an empty returnable  
8 beverage container.

9 "Redemption center." An operation that accepts from  
10 consumers and provides the refund value for empty returnable  
11 beverage containers intended to be recycled and ensures that the  
12 empty returnable beverage containers are properly recycled.

13 "Redemption rate." The percentage of returnable beverage  
14 containers redeemed over a reporting period. The percentage is  
15 calculated by dividing the number of returnable beverage  
16 containers redeemed by the number of returnable beverage  
17 containers sold and then multiplying that number by one hundred.

18 "Refillable beverage container." Any returnable beverage  
19 container that ordinarily is returned to the manufacturer to be  
20 refilled and resold.

21 "Returnable beverage container." Any sealable bottle, can,  
22 jar or carton which is primarily composed of glass, metal,  
23 plastic or any combination of those materials and is produced  
24 for the purposes of containing a beverage which, at the time of  
25 sale, contains 28 ounces or less of a beverage. The term does  
26 not include any sealable bottle, can, jar or carton which is  
27 composed of paper-based biodegradable material and aseptic  
28 multimaterial packaging.

29 "Returnable beverage distributor" or "distributor." A person  
30 who:

1           (1) is a manufacturer of beverages in returnable  
2 beverage containers in this Commonwealth; or

3           (2) imports and engages in the sale of filled returnable  
4 beverage containers to a dealer or consumer in this  
5 Commonwealth.

6 The term includes a Federal agency and military distributor but  
7 does not include an airline or shipping company that merely  
8 transports returnable beverage containers.

9 Section 3. Returnable beverage container assessment on  
10 distributors.

11       (a) General rule.--Beginning January 1, 2010, a returnable  
12 beverage distributor shall pay to the department, on a monthly  
13 basis, a returnable beverage container assessment on each  
14 returnable beverage container manufactured in or imported into  
15 this Commonwealth. The returnable beverage container assessment  
16 shall not apply to returnable beverage containers exported for  
17 sale outside of this Commonwealth.

18       (b) Amount of assessment.--The returnable beverage container  
19 assessment shall be 5¢ per returnable beverage container and may  
20 be imposed only once on the same returnable beverage container.

21       (c) State preemption.--No municipality may impose or collect  
22 any assessment or fee on returnable beverage containers for the  
23 same or similar purpose that is the subject of this act.

24 Section 4. Returnable beverage distributors.

25       (a) Duty to register.--

26           (1) On or before September 1, 2009, each returnable  
27 beverage distributor shall register with the department,  
28 using forms prescribed by the department, and shall notify  
29 the department of any change in address or other information  
30 previously submitted.

1           (2) After September 1, 2009, any person who desires to  
2 conduct business in this Commonwealth as a returnable  
3 beverage distributor shall register with the department no  
4 later than one month prior to the commencement of the  
5 business.

6           (b) Maintenance of records.--

7           (1) A returnable beverage distributor shall maintain  
8 records reflecting the manufacture of beverages in returnable  
9 beverage containers or the importation and the sale of filled  
10 returnable beverage containers, as applicable.

11           (2) The records shall be made available, upon request,  
12 for inspection by the department; provided that any  
13 proprietary information obtained by the department shall be  
14 kept confidential and shall not be disclosed to any other  
15 person, except:

16                   (i) as may be reasonably required in an  
17 administrative or judicial proceeding to enforce any  
18 provision of this act or any rule adopted pursuant to  
19 this act; or

20                   (ii) under an order issued by a court.

21 Section 5. Returnable Beverage Container Fund.

22           (a) Establishment.--The Returnable Beverage Container Fund  
23 is established in the State Treasury. All revenues generated  
24 from the returnable beverage container assessment shall be  
25 deposited into the fund.

26           (b) Use of fund.--

27           (1) The moneys in the fund shall be used to pay valid  
28 returnable deposit claims submitted by returnable beverage  
29 distributors and redemption centers under section 14.

30           (2) After the payment of claims under paragraph (1), 75%

1 of the fund shall be transferred on a monthly basis to the  
2 Hazardous Sites Cleanup Fund established under section 901 of  
3 the act of October 18, 1988 (P.L.756, No.108), known as the  
4 Hazardous Sites Cleanup Act.

5 Section 6. Inventory report.

6 (a) General rule.--Except as otherwise provided under  
7 subsection (e), beginning February 1, 2010, and continuing each  
8 month thereafter, a returnable beverage distributor shall file  
9 an inventory report with the department.

10 (b) Content.--The inventory report required under subsection  
11 (a) shall include documentation in sufficient detail to  
12 identify:

13 (1) The number of beverages in returnable beverage  
14 containers, by container size and type, manufactured in or  
15 imported into this Commonwealth during the reporting period.

16 (2) The number of these returnable beverage containers,  
17 by container size and type, exported and intended for  
18 consumption outside this Commonwealth during the reporting  
19 period.

20 All information contained in an inventory report, including  
21 confidential commercial and financial information, shall be  
22 deemed confidential and protected from public disclosure to the  
23 extent allowed by law.

24 (c) Calculation of payment.--The payment due from a  
25 returnable beverage distributor for the assessment imposed under  
26 section 3 shall be equal to the net number of returnable  
27 beverage containers imported or manufactured into this  
28 Commonwealth, the total number of containers imported or  
29 manufactured less the total number of containers exported for  
30 consumption outside this Commonwealth, multiplied by 5¢.

1 (d) Filing deadline.--The inventory report and payment shall  
2 be filed with the department no later than the 15th day of the  
3 month following the end of the payment period of the previous  
4 month.

5 (e) Semiannual reporting.--A returnable beverage distributor  
6 who annually imports or manufactures in this Commonwealth less  
7 than 100,000 returnable beverage containers may submit reports  
8 and payments required under this act on a semiannual basis;  
9 provided that the semiannual report and payment period shall end  
10 on June 30 and December 31 of each year.

11 Section 7. Returnable deposit value of returnable beverage  
12 containers.

13 Beginning January 1, 2010, each returnable beverage container  
14 sold in this Commonwealth shall have a returnable deposit value  
15 of 5¢, and the returnable deposit value shall be clearly  
16 indicated on it as provided under section 9.

17 Section 8. Sales of beverages in returnable beverage  
18 containers.

19 (a) Pass-through from distributors.--Beginning January 1,  
20 2010, a returnable beverage distributor who pays the returnable  
21 beverage container assessment to the department may add the  
22 amount of the assessment to the cost of each returnable beverage  
23 container paid by the dealer or consumer. The addition of the  
24 amount of the assessment may appear as a separate line item on  
25 the invoice prepared by the distributor.

26 (b) Pass-through from dealers.--Beginning January 1, 2010, a  
27 dealer who purchased a returnable beverage container from a  
28 distributor who added the amount of the returnable beverage  
29 container assessment to the cost of the returnable beverage  
30 container paid by the dealer and which dealer sells the

1 returnable beverage container to a consumer may indicate the  
2 cost of the assessment as a separate line item on the invoice  
3 prepared by the dealer.

4 Section 9. Returnable beverage container requirements.

5 (a) General rule.--Except as provided in subsection (b),  
6 each returnable beverage container sold in this Commonwealth  
7 shall clearly indicate the returnable deposit value of the  
8 container and the word "Pennsylvania" or the letters "PA." The  
9 names or letters representing the names of other states with  
10 comparable deposit laws may also be included in the indication  
11 of the returnable deposit value. The returnable deposit value on  
12 every returnable beverage container shall be clearly,  
13 prominently and indelibly marked by painting, printing, scratch  
14 embossing, raised letter embossing or securely affixed stickers  
15 and shall appear on the top or side of the container in letters  
16 at least one-eighth inch in size.

17 (b) Nonapplicability.--Subsection (a) shall not apply to any  
18 type of refillable glass returnable beverage container that has  
19 a brand name permanently marked on it and the equivalent of a  
20 refund value of at least 5¢ which is paid upon receipt of the  
21 container by a dealer or returnable beverage distributor.

22 Section 10. Redemption of empty returnable beverage containers.

23 (a) General rule.--Except as provided in subsection (b), a  
24 dealer shall:

25 (1) Operate a redemption center by July 1, 2010, and  
26 shall accept all types of empty returnable beverage  
27 containers that bear a valid returnable deposit value for  
28 this Commonwealth under this act.

29 (2) Pay to any person who presents an empty returnable  
30 beverage container, except as otherwise provided under

1 section 13, the amount of the returnable deposit value for  
2 the returnable beverage container, if it bears a valid  
3 returnable deposit value for this Commonwealth under this  
4 act.

5 (3) Ensure each returnable beverage container collected  
6 is recycled and forward documentation necessary to support  
7 claims for payment from the fund as stated in section 14 or  
8 the regulations adopted under this act.

9 (b) Nonapplicability.--Subsection (a) shall not apply to any  
10 dealer:

11 (1) who is located in a high density population area as  
12 defined by regulation of the department and within two miles  
13 of a certified redemption center that is operated  
14 independently of a dealer;

15 (2) who is located in a rural area as defined by  
16 regulation of the department;

17 (3) who subcontracts with a certified redemption center  
18 to be operated on the dealer's premises;

19 (4) whose sales of returnable beverage containers are  
20 only via vending machines;

21 (5) whose place of business is less than 5,000 square  
22 feet of interior space;

23 (6) who can demonstrate physical or financial hardship,  
24 or both, based on specific criteria established by regulation  
25 of the department; or

26 (7) who meets other criteria established by the  
27 department.

28 Notwithstanding the provisions of paragraphs (1) and (2), the  
29 department may allow the placement of redemption centers at  
30 greater than prescribed distances to accommodate geographical

1 features while ensuing adequate consumer convenience.

2 (c) Signs of closest redemption center.--Regardless of the  
3 square footage of a dealer's place of business, a dealer that is  
4 not a redemption center or has not subcontracted with a  
5 redemption center shall post a clear and conspicuous sign at the  
6 primary public entrance of the dealer's place of business that  
7 specifies the name, address and hours of operation of the  
8 closest redemption center location.

9 (d) On-premise consumption.--A person engaged in the  
10 business of selling beverages in returnable beverage containers  
11 for on-premises consumption shall collect the used returnable  
12 beverage containers from its patrons and either use a certified  
13 redemption center for the collection of containers or become a  
14 certified redemption center.

15 Section 11. Redemption centers.

16 (a) Certification required.--Prior to operation, a  
17 redemption center must be certified by the department.

18 (b) Applications.--An application for certification as a  
19 redemption center shall be filed with the department on forms  
20 prescribed by the department.

21 (c) Discretionary review of certification.--The department,  
22 at any time, may review the certification of a redemption  
23 center. After written notice to the person responsible for the  
24 establishment and operation of the redemption center and to the  
25 dealers served by the redemption center, the department, after  
26 it has afforded the person a hearing in accordance with  
27 applicable law, may withdraw the certification of the center if  
28 it finds that there has not been compliance with applicable  
29 laws, rules, permit conditions or certification requirements.

30 (d) Duties of redemption centers.--A redemption center

1 shall:

2 (1) Accept all types of empty returnable beverage  
3 containers from consumers or other persons, unless excepted  
4 under section 13.

5 (2) Pay to any consumer or other person who presents an  
6 empty returnable beverage container, except as otherwise  
7 provided under section 13, the amount of the returnable  
8 deposit value for the returnable beverage container, if it  
9 bears a valid returnable deposit value for this Commonwealth  
10 under this act.

11 (3) Ensure each returnable beverage container collected  
12 is recycled and forward documentation necessary to support  
13 claims for payment from the fund as stated in section 14 or  
14 the regulations adopted under this act.

15 (e) Compliance with laws.--The redemption area of a  
16 redemption center shall be maintained in full compliance with  
17 applicable laws and with the orders and rules of the department,  
18 including permitting requirements, if deemed necessary by the  
19 department.

20 Section 12. Development of procedures.

21 The department shall develop procedures to facilitate the  
22 exchange of information between returnable beverage container  
23 manufacturers, distributors and retailers and certified  
24 redemption centers. The procedures developed by the department  
25 shall allow for a reasonable time period between the  
26 introduction of a new returnable beverage product and the  
27 deadline for submitting universal product code information to  
28 certified redemption centers operating reverse vending machines.

29 Section 13. Refusal of refund value payment for a returnable  
30 beverage container.

1 A retailer or redemption center may refuse to pay the  
2 returnable deposit value on any broken, corroded or dismembered  
3 returnable beverage container or any returnable beverage  
4 container that:

- 5 (1) contains a free-flowing liquid;
- 6 (2) does not properly indicate a refund value; or
- 7 (3) contains a significant amount of foreign material.

8 Section 14. Claims for reimbursement from the fund.

9 (a) General rule.--A dealer or redemption center that  
10 accepts a returnable beverage container from a consumer or other  
11 person and pays the returnable deposit value to the consumer or  
12 other person may submit to the department a claim for  
13 reimbursement from the fund.

14 (b) Amount of claim.--The department shall pay to each  
15 dealer or redemption center that submits a claim under  
16 subsection (a) 2¢ for each returnable beverage container that is  
17 not returned.

18 (c) Alternative payment approach.--The department may choose  
19 to pay the reimbursement amount on the basis of the total weight  
20 of the containers received by material type and the average  
21 weight of each container type, rather than on a per returnable  
22 beverage container basis.

23 (d) Limitation.--Reimbursement from the fund may only occur  
24 once for each returnable beverage container.

25 Section 15. Redemption center reporting.

26 In order for its claim to be approved by the department, a  
27 dealer or redemption center shall submit to the department the  
28 following information on forms prescribed by the department.

- 29 (1) The number or weight of returnable beverage  
30 containers of each material type accepted at the redemption

1 center for the reporting period.

2 (2) The amount of refunds paid out by material type.

3 (3) The number or weight of returnable beverages  
4 containers of each material type transported out of this  
5 Commonwealth or to a permitted recycling facility.

6 (4) Copies of out-of-Commonwealth transport and weight  
7 receipts or acceptance receipts from permitted recycling  
8 facilities. If the redemption center and the recycling  
9 facility are the same entity, copies of out-of-Commonwealth  
10 transport and weight receipts, or documentation of end use  
11 accepted by the department, shall also be included.

12 (5) Any other information deemed necessary by the  
13 department.

14 Section 16. Departmental inspections.

15 The records of a returnable beverage distributor, dealer,  
16 redemption center and recycling facility shall be made  
17 available, upon request, for inspection by the department or a  
18 duly authorized agent of the department. Any proprietary  
19 information obtained during the inspection shall be kept  
20 confidential and shall not be disclosed to any other person,  
21 except:

22 (1) as may be reasonably required in an administrative  
23 or judicial proceeding to enforce any provision of this act  
24 or any regulation adopted pursuant to this act; or

25 (2) under an order issued by a court.

26 Section 17. Annual report to General Assembly.

27 The department shall file a report with the General Assembly  
28 on an annual basis. The report shall include:

29 (1) Information on the administration of this act.

30 (2) Detailed financial information on the payment of

1 claims from the Returnable Beverage Container Fund and the  
2 monthly transfers to the Hazardous Sites Cleanup Fund.

3 (3) Recommendations from the department as to whether  
4 the actual claim experience of the Returnable Beverage  
5 Container Fund necessitates adjustment of the percentage of  
6 monthly transfers set forth in section 5(b)(2) in order for  
7 the Returnable Beverage Container Fund to be fiscally sound  
8 for the continued payment of claims pursuant to this act.

9 Section 18. Regulations.

10 The department may promulgate rules and regulations to  
11 administer and enforce this act.

12 Section 19. Effective date.

13 This act shall take effect immediately.