STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 2021

AN ACT
RELATING TO HEALTH AND SAFETY -- MINIATURE ALCOHOLIC BEVERAGE CONTAINER ACT OF 2021

Introduced By: Senator Joshua Miller
Date Introduced: March 04, 2021
Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

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

CHAPTER 18.18
MINIATURE ALCOHOLIC BEVERAGE CONTAINER DEPOSIT RECYCLING ACT OF 2021

23-18.18-1. Definitions.
As used in this chapter:
(1) "Beverage" means an alcoholic beverage as described in chapter 1 of title 3, including, but not limited to, beer and other malt beverages, wine, or liquor.
(2) "Beverage container" means any sealable bottle, can, jar, or carton which is primarily composed of glass, metal, plastic or any combination of those materials and is produced for the purpose of containing a beverage. This definition shall not include containers made of biodegradable material.
(3) "Bottler" means any person filling miniature alcoholic beverage containers for sale to distributors or dealers, including dealers who bottle or sell their own brand of beverage.
(4) "Consumer" means any person who purchases an alcoholic beverage in a miniature alcoholic beverage container for use or consumption with no intent to resell such beverage.
(5) "Dealer" means any person, who engages in the sale of alcoholic beverages in miniature
alcoholic beverage containers to consumers in this state.

(6) "Distributor" means any person who engages in the sale of alcoholic beverages in miniature alcoholic beverage containers to dealers in this state including any bottler who engages in such sales.

(7) "Label" means a molded imprint or raised symbol on or near the bottom of a plastic product.

(8) "Miniature alcoholic beverage container" means any sealable bottle, can, jar, or carton, which is primarily composed of glass, metal, plastic, rigid plastic, or any combination of those materials that has a capacity of not more than one hundred milliliters (100 ml) and is produced for the purpose of containing an alcoholic beverage as described in chapter 1 of title 3, which containers are sometimes colloquially referred to as "nips."

(9) "Plastic" means any material made of polymeric organic compounds and additives that can be shaped by flow.

23-18.18-2. Refund value; Exemption.

Every miniature alcoholic beverage container sold or offered for sale in the state shall have a refund value of not less than fifty cents ($0.50). The provisions of this section shall not apply to such containers sold by a distributor for use by a common carrier in the conduct of interstate passenger service.

23-18.18-3. Refund of miniature alcoholic beverage container; Refusal to accept miniature alcoholic beverage container.

(a) Every consumer shall deposit with the dealer the refund value of each miniature alcoholic beverage container purchased from that dealer.

(b) Except as provided in subsection (f) of this section, a dealer shall accept from any person during business hours any empty miniature alcoholic beverage container of the type, size and brand sold by the dealer within the past sixty (60) days and shall pay that person the refund value of each miniature alcoholic beverage container returned.

(c) Except as provided in subsection (f) of this section, a distributor shall accept from any dealer any empty miniature alcoholic beverage container of the type, size and brand sold by the distributor within the past sixty (60) days and shall pay the dealer the refund value of the miniature alcoholic beverage container plus a handling fee of at least four cents ($0.04) per container if the empty miniature alcoholic beverage container is presented at the time of and at the location at which the dealer obtains filled miniature alcoholic beverage containers from the distributor.

(d) Except as provided in subsection (f) of this section, a bottler shall accept from a distributor or a dealer any empty reusable miniature alcoholic beverage container of the type, size,
and brand sold by the bottler within the past sixty (60) days and shall pay the distributor or dealer
the refund value of the beverage container plus a handling fee of at least four cents ($0.04) per
container.

(e) Any person may establish a redemption center and shall have the right to determine
what type, size and brand of miniature alcoholic beverage container shall be accepted. Except as
provided in subsection (f) of this section, a distributor shall take from any redemption center any
empty miniature alcoholic beverage container of the type, size and brand sold by the distributor
within the past sixty (60) days and shall pay the redemption center the refund value of the container
plus a handling fee of at least four cents ($0.04) per container.

(f) A dealer, distributor, redemption center or bottler may refuse to accept any miniature
alcoholic beverage container which contains material foreign to the normal contents of the
container.

(g) Any bottler or distributor who receives deposits and/or handling charges under this
chapter shall segregate said deposits or handling charges in a fund which shall be maintained
separately from all other revenues. Said bottler or distributor shall report on a monthly basis to the
Rhode Island resource recovery corporation and the division of revenue, the amount of said deposits
or handling charges received and the amount refunded.

(h) Any bottler or distributor who is subject to the provisions of subsection (c), (d) or (e)
of this section shall maintain a separate account to be known as the deposit transaction fund. Said
fund shall be kept separate from all other revenues and accounts. Each bottler or distributor shall
place in said fund the refund value for all miniature alcoholic beverage containers it sells subject
to the provisions of this chapter.

Except as specified in subsection (d) of this section, amounts in such fund may only be
expended to pay refund values paid after January 1, 2022, for returned miniature alcoholic beverage
containers pursuant to subsection (c), (d) or (e) of this section. Amounts in such fund shall not be
used to pay any handling fees required by subsection (c), (d) or (e) of this section. Each such fund
shall be maintained by said bottlers and distributors on behalf of consumers who have purchased
refundable miniature alcoholic beverage containers and on behalf of the state; except as specified
in § 23-18.18-6, for no purpose are amounts in such fund to be regarded as income of said bottlers
or distributors.

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

23-18.18-4. Reports by bottlers and distributors of transactions affecting deposit transaction fund.

Every bottler or distributor shall report to the director of the division of revenue by the tenth day of each month, concerning transactions affecting its deposit transaction fund in the preceding month. Such report shall be made in a form prescribed by said director and shall include the number of miniature alcoholic beverage containers sold and the number of miniature alcoholic beverage containers returned in said month, the amount of deposits received in and payments made from said fund in said month and the most recent three (3) month period, any income earned on amounts in the deposit transaction fund during said preceding month, the balance in said deposit transaction fund at the close of said preceding month, and such other information as the director of revenue may require in furtherance of the director's duties pursuant to this chapter.

23-18.18-5. Abandoned deposit amounts: Determination and transfer.

(a) At the end of each month, any amounts that are or should be in a bottler's or distributor's deposit transaction fund and that are in excess of the sum of:

1. Interest income earned on amounts in said account during that month; and
2. The total amount of refund values received by said bottler or distributor for miniature alcoholic beverage containers during that month and the two (2) preceding months, shall be deemed to constitute abandoned deposit amounts. Income earned on said fund may be transferred from said fund for use as funds of the bottler or distributor.

(b) By the tenth day of each month, each bottler or distributor shall turn over to the director of the division of revenue any deposit amounts deemed to be abandoned at the close of the preceding month, pursuant to subsection (a) of this section. Such amounts may be paid from the deposit transaction fund. Amounts collected by the director of the division of revenue pursuant to this subsection shall be deposited in the water pollution control revolving fund established by § 46-12.3-6.

23-18.18-6. Reimbursements to bottlers or distributors.

If in any month the authorized payments from the deposit transaction fund by a bottler or distributor pursuant to § 23-18.18-2 exceed the funds that are or should be in its deposit transaction
fund, the state shall reimburse said bottler or distributor, from amounts received pursuant to § 23-
18.18-5, for those refunds paid by the bottler or distributor for miniature alcoholic beverage
containers for which the funds that are or should be in its deposit transaction fund are insufficient;
provided, however, that such reimbursements to a bottler or distributor for a month shall not exceed
the excess of:
(1) Amounts paid by said bottler or distributor to the state pursuant to § 23-18.18-5 in the
preceding twenty-four (24) months over;
(2) Amounts paid by this state to said bottler or distributor pursuant to this section during
said twenty-four (24) months.

23-18.18-7. Holding or connecting devices; Breakdown by bacteria or light.
No dealer shall sell or offer for sale in the state containers connected to each other by a
separate holding device constructed of plastic rings or any other device or material which cannot
be broken down by bacteria and or by light into constituent parts as provided in chapter 38 of this
title.

23-18.18-8. Refund value; Statement on container.
Every miniature alcoholic beverage container, or offered for sale in the state by a bottler,
distributor, or dealer shall clearly indicate, by embossing or by stamp, or by label, or other method
securely affixed to any portion except the bottom of the miniature alcoholic beverage container,
the refund value of the container. A permanently labelled reusable glass miniature alcoholic
beverage container first imported into, or offered for sale in this state after the effective date of this
chapter by a bottler, distributor, or dealer shall clearly indicate, by embossing or by stamp, or by
label, or other method securely affixed to any portion except the bottom of the permanently labelled
reusable glass miniature alcoholic beverage container, that the container may be returned for
deposit. A dealer, distributor, redemption center, or bottler, may refuse to accept from any person
any empty miniature alcoholic beverage container which does not state thereon a refund value.

23-18.18-9. Administration of provisions relating to bottlers and distributors; rules
and regulations.
(a) The director of the department of environmental management shall administer the
provisions of §§ 23-18.18-1, 23-18.18-2, 23-18.18-3(a) through (f), inclusive, 23-18.18-7, and 23-
18.18-8. Said director shall promulgate rules and regulations to effectuate the purposes of said
sections.
(b) The director of the division of revenue shall administer the provisions of §§ 23-18.18-
3 (g) through (i), 23-18.18-4, 23-18.18-5 and 23-18.18-6.
The director of the division of revenue shall promulgate and from time to time revise rules

and regulations to effectuate the purposes of said sections. Said rules and regulations shall include

a provision to permit bottlers or distributors to borrow, without any interest charge, against their

deposit transaction funds subject to such terms and conditions as the director deems appropriate.


(a) The attorney general shall enforce the provisions of this chapter. Any bottler, distributor, redemption center or dealer who violates any provisions of this chapter or any person who violates § 23-18.1-3 shall be subject to a civil penalty for each violation of not more than one thousand dollars ($1,000).

(b) Any bottler or distributor failing to make full and timely payments as required by § 23-18.18-5 shall pay interest on any unpaid amounts at the rate of one and one-half percent (1.5%) for each month or part thereof until payment is made in full; provided, however, that any person, including a bottler, distributor, redemption center or dealer, who violates the provisions of § 23-18.18-3(i) shall be subject to a civil penalty of not less than one hundred dollars ($100) for each container or twenty-five thousand dollars ($25,000) for each tender of containers.

SECTION 2. This act shall take effect on January 1, 2022.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
AN ACT
RELATING TO HEALTH AND SAFETY -- MINIATURE ALCOHOLIC BEVERAGE CONTAINER ACT OF 2021

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1 This act would create a refundable fifty cent ($0.50) deposit for miniature alcoholic beverage containers, often referred to as "nips."
2 This act would take effect on January 1, 2022.

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