



Bottle Redemption Laws and Convenience Stores in New England

By Peter Brennan, Executive Director, NECSEMA

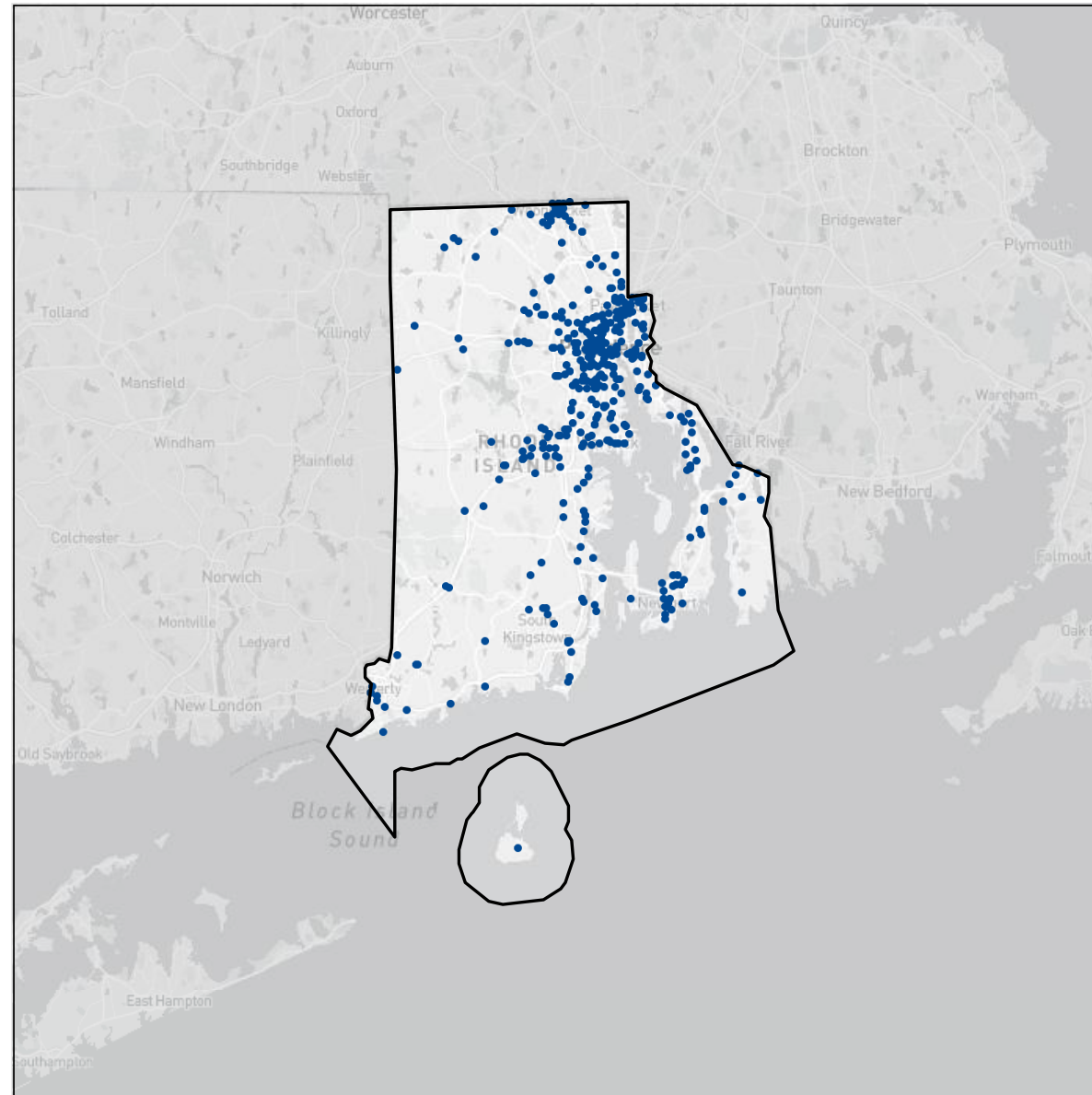
necsema
New England Convenience Store & Energy Marketers Association

Who We Are

The New England Convenience Store & Energy Marketers Association (NECSEMA) represents convenience store and gasoline retailers, independent transportation fuel distributors, and the businesses which supply them. NECSEMA members own, operate, and supply the 7,000 c-stores in New England, including over 400 convenience stores that employ almost 7,000 people in Rhode Island.



Convenience Stores of Rhode Island



Data for the Convenience Stores of Rhode Island

	Average Per Store	State
Total Stores	1	415
Stores Selling Gas	1	327
Total Employees	16	6,682
Transactions Per Day	1,010	419,150
Total Sales	\$4,767,406	\$1,978,473,490
Merchandise	\$1,550,710	\$643,544,650
Foodservice	\$321,096	\$133,254,840
Fuel	\$3,667,664	\$1,522,080,560
Gallons of Fuel	1,209,482	501,935,030
Gallons of Diesel	238,800	99,102,000
Labor Expenses	\$397,903	\$165,129,745
Credit Card Fees Paid	\$91,200	\$37,848,000
Utilities Expenses	\$38,700	\$16,060,500
Taxes Collected	\$1,074,136	\$445,766,282

Data provided by the National Association of Convenience Stores.
Please note not all store expenses are listed.

New England States with Bottle Deposit Laws



Maine

Maine first passed a bottle bill in 1976, last updated in 2023. All beverages except dairy products and unprocessed cider covered. 15 cent deposit on wine/liquor bottles, 5 cents on all others. Bottles redeemed at retailers or redemption centers, retailers with 5,000 sq. ft. or less may refuse returns. Unclaimed deposits go to the state.



Vermont

Vermont passed its first bottle bill in 1972. It charges a 5 cent deposit on beer, soda, cider, wine coolers, and water bottles up to 1.5L. 80% of unclaimed deposits go to the state.



Massachusetts

Massachusetts passed its first bottle bill in 1981. It charges a 5 cent deposit on carbonated soft drinks, beer, malt beverages, and mineral water containers less than 3L. Unclaimed deposits go into the general fund. FY21 redemption rate of 38% = \$70.4 million to the Commonwealth.



Connecticut

Connecticut passed its bottle bill in 1978, last updated in 2021. It charges a 5 cent deposit on beer, carbonated and non-carbonated beverages, water, and malt beverages containers up to 3L. Deposit increases to 10 cents in 2024 for most beverages. Unclaimed deposits go to distributors, who pay it to the state/retailers. Distributors pay handling fees on claimed deposits to redemption centers.



Maine - Retailer Impact

Maine operates on 'Dealer Agreements' with neighboring redemption centers so that retailers/dealers aren't obligated to take back bottles:

[38/title38sec3106](#): 1. Dealer acceptance. Except as otherwise provided in this section, a dealer operating a retail space of 5,000 square feet or more may not refuse to accept from any consumer or other person not a dealer any empty, unbroken and reasonably clean beverage container or refuse to pay in cash the refund value of the returned beverage container as established by section 3103 unless the dealer has a written agreement with a redemption center to provide redemption services on behalf of the dealer and that redemption center:

How Maine's Bottle Bill Works

1 **Manufacturer/Bottling Company/Distributor**

Collects 5 cents per container when product is sold

2 **Retail Outlet**

Collects 5 cents deposit from the consumer

4 **Redemption Center**

Receives 8.5 or 9 cents per container from Bottling Company or Distributor.
5 cents is from the original deposit plus a 3.5 or 4 cent handling fee

3 **Consumer**

Recovers 5 cent deposit per container when returned to a licensed redemption center



Retailer Experience in Massachusetts

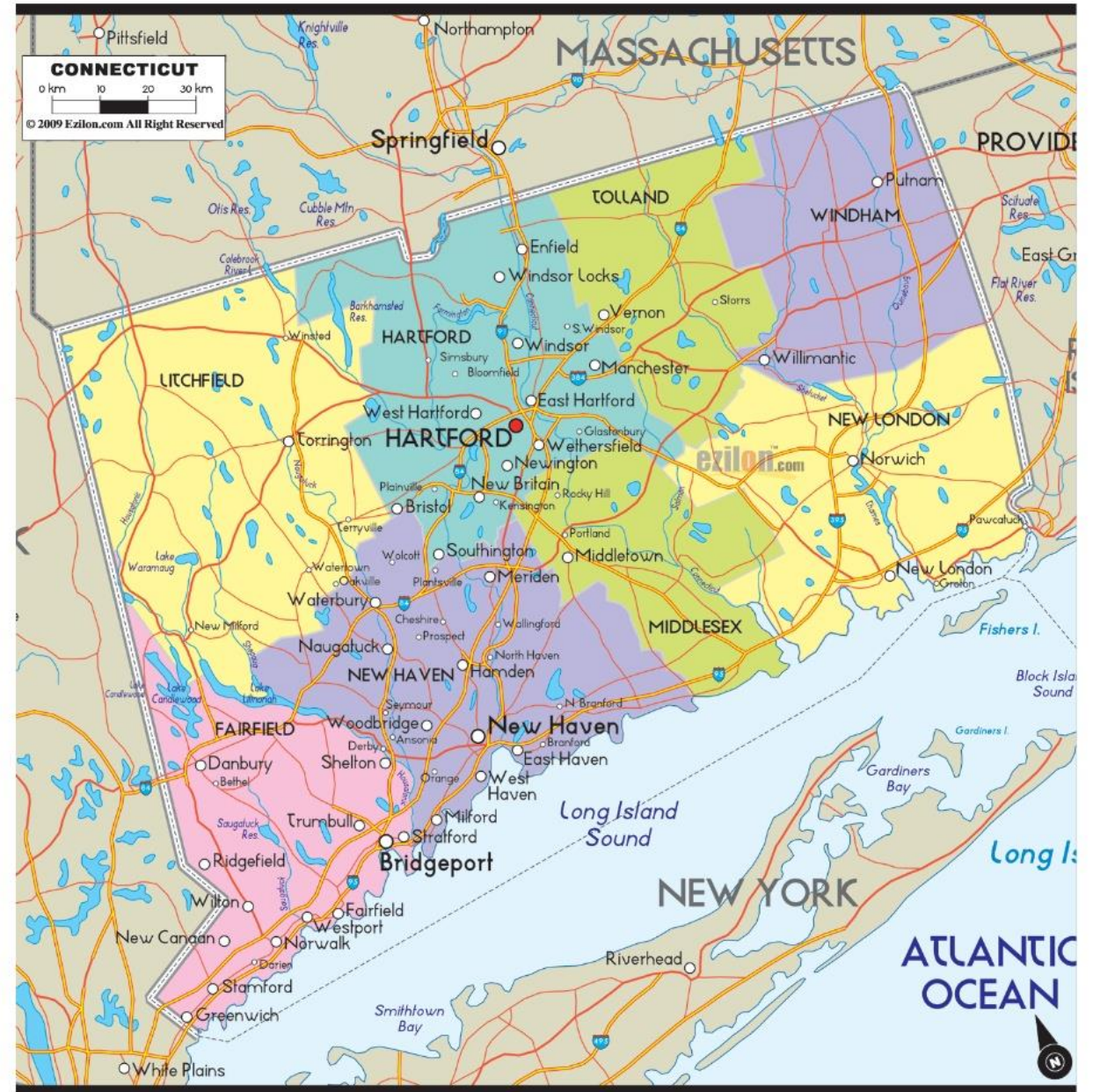
Massachusetts has been a bottle redemption state for over 40 years. Technically, any retailer (including vending machines) must accept returns of any beverage that they sell. In practice, virtually no returns are processed at our stores, as consumers take their returns to redemption centers or utilize curbside recycling programs. Many towns have single stream recycling programs, when consumers dispose of their returnable bottles and cans through curbside programs, the primary beneficiaries are the material recovery facilities (MRFs) and the state, as the state diverts escheat to the General Fund. Larger retailers will generally have reverse vending machines that scan barcodes to reduce fraud. Under the law, retailers must notify consumers that it is against the law for them redeem containers purchased in other states for deposit refunds in Massachusetts.



Connecticut

Connecticut is undergoing the most significant transformation of its beverage container redemption program since the program was first implemented in 1980. Significant changes included 1) an increase in the handling fee paid to retailers and operators of redemption centers; 2) an expansion of the types of beverages covered to include several new item categories – including sports drinks, energy drinks, and juices – beginning on January 1, 2023; and 3) an increase in the deposit amount from \$0.05 to \$0.10 beginning on January 1, 2024.

Retailers must accept bottles that they sell. In practice, many consumer use redemption centers. It is too early to know the full impact of the recent changes on retailers.



Retailer Costs of Handling Returns



Labor costs to handle and sort
returns

Additional staffing needed to process
returns



Storage space needed

Larger backrooms required for returned
bottle storage



Lost sales space

Less shelf space available for products due to
returns

Handling bottle returns creates additional costs for labor, storage, and lost sales space.

Logistical Challenges for Retailers



- Managing volume of returns

High volume of returns creates logistical challenges with storage and transportation



- Dealing with storage and pickup of returns

Need space to store returns and efficient pickup to clear storage



- Preventing fraud

Need processes to verify legitimacy of returns and prevent fraudulent claims

Managing logistics of returns is crucial for convenience stores to efficiently comply with bottle redemption laws.

Customer Frustrations

Long Lines

Due to high volume of bottle returns, lines at the register can get very long during peak hours, frustrating customers.

Cluttered Stores

With limited space, bottles awaiting pickup can make stores feel cluttered and crowded for customers.

Confusion on Returns

Customers may get confused on which bottles can be returned and the return process, slowing things down.

Sanitation Concerns

Open bottles awaiting pickup can raise sanitation concerns and create unpleasant odors.

Parking Congestion

Increase in bottle redemptions can lead to parking lot congestion as redemption centers get very busy.

Shopping Disruption

Customers trying to shop can get disrupted by long lines and clutter from bottle returns.

Key Takeaways

Bottle Laws Create Costs for Stores

Implementing bottle laws requires convenience stores to purchase new equipment like bottle crushers and sorting systems. Stores also need to allocate labor and space to handle, and store returned bottles.

Exemption for Smaller Retailers

Space is a concern and many retailers simply do not have enough square footage to fit reverse vending machines. Labor is also a concern, as small retailers have limited personnel to process returns, and extremely limited storage space.

Stores Need Help Easing the Burden

Legislators could consider subsidies or grants to help stores offset costs of new equipment and labor for bottle returns.

Redemption Centers

Some stores have partnered with external bottle collection services. This can be mutually beneficial arrangement for all parties, including the state.

Curbside Recycling is Key

Curbside recycling has been shown to greatly increase recycling rates.

Questions?



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