

**BILL:** S.1290-D (LaValle) / A.2517-C (DiNapoli)  
**SUBJECT:** Expanded Bottle Bill  
**STATUS:** Senate EnCon Committee  
Assembly Calendar  
**DATE:** April 20, 2006

**OPPOSE**

**Staff Contact:** Ken Pokalsky, Director, Environmental Programs

The Business Council opposes this legislation, which would expand the state's bottle bill to cover most beverage containers, and "capture" the larger volume of unclaimed bottle deposits, which in turn would be used to finance expanded state spending programs.

Our opposition to this measure is fourfold:

- The effect of this bill is to impose an additional "tax" of at least \$40 million per year on New York State consumers, through increased unclaimed bottle deposits. An expanded bottle bill will take at least this much more from New York State consumers (using projections included in the sponsor's memo). Moreover, it would increase state spending through the Environmental Protection Fund by between \$130 and \$180 million -- this on top of current legislative efforts to increase to the EPF to \$180 million or more. Since the impact of this expanded deposit law will be similar to that of a sales tax on food, the impact will disproportionately affect low and middle income taxpayers.
- While purporting to provide financial support to municipal recycling efforts, this bill will in fact take valuable post-consumer materials out of municipal recycling programs, and divert those materials to store-based recycling. Most beverage bottles that will be affected by an expanded bottle bill are made from PET, which has a current average market value of between \$500 to \$1100 per ton. Aluminum cans, which are used for some non-carbonated beverages that would also be captured by this expanded bottle bill, have a current market value of \$1280 per ton. In contrast, newsprint – a major component of municipal recycling programs – has a current average market value of just \$65 to 85 per ton -- a fraction of the value of material that the bottle bill is siphoning off from the municipal recycling program. As a result, this bill will reduce the average per-ton recovery value of the municipal recycling stream, while necessitating expanded state-taxpayer financial support for those very same programs. (Prices from June 3, 2005, RECYCLABLE MATERIAL PRICES by American Metals Market LLC, for New York area.)

- By increasing the volume of redemptions, this bill will significantly increase the compliance burden placed on supermarkets, convenience stores and other beverage outlets. The existing bottle bill imposes additional costs on retailers, consumes limited store space and staff resources, and raises sanitation and “housekeeping” problems in stores. This bill would exacerbate each of these adverse impacts on the retail sector – while at the same time, divert valuable resources from the municipal recycling system. The provisions in the bill to create local redemption centers will do little to ameliorate these impacts in urban areas. It is unclear why we would want to mandate that our food stores play an even larger role in our solid waste management system.

Finally, this bill will have a significant adverse financial impact on the beverage industry, which currently uses unclaimed deposits to partially finance their costs imposed by the existing bottle bill.

Touted as an environmental bill, S.1290-D/A.2517-C is in reality a hidden tax on New York State manufacturers, bottler, distributors and – ultimately – consumers. It places the twin burden of imposed minimum higher handling fees by over 50% per container redeemed and seizes the unclaimed deposits which partially offset the operating costs of this distributor-grocery store-consumer redemption system. These added costs will eventually lead to higher prices and perhaps sales disruptions as below scale operators from adjoining states bootleg cheaper product into New York – especially New York City. Because of both expansion and this higher price to sell legally, an already continuing network of determined operators will benefit to the detriment to law abiding, and taxed, in-state producers and franchises. As such, these increased costs are of concern to both to New York’s beverage industry and its workforce.

New York State continues to operate two separate state-wide recycling programs – mandated municipal recycling for those post-consumer wastes for which there is an “economic market,” and mandated store-based recycling for certain beverage containers. Shifting materials from one mandated recycling program to another will produce limited environmental benefits to the state, while imposing significant additional costs and inconvenience on consumers and businesses alike.

For these reasons, The Business Council opposes adoption of S.1290-D/A.2517-C.