

# SENATE BILL 367

M3, M1

6lr1306  
CF 6lr1305

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By: **Senators Ferguson, Benson, Guzzone, Lee, Madaleno, Manno, Pinsky,  
Ramirez, Raskin, and Young**

Introduced and read first time: January 28, 2016

Assigned to: Finance and Education, Health, and Environmental Affairs

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Redeemable Beverage Container Recycling Refund and Litter**  
3 **Reduction Act**

4 FOR the purpose of establishing the Maryland Redeemable Beverage Container Recycling  
5 Refund and Litter Reduction Program; stating the intent of the General Assembly;  
6 requiring the Maryland Environmental Service to develop, implement, and  
7 administer the Program; specifying the responsibilities associated with developing,  
8 implementing, and administering the Program; requiring that every redeemable  
9 beverage container sold in the State indicate a certain refund value in a certain  
10 manner on and after a certain date; prohibiting a certain container from being sold  
11 before a certain date; requiring a distributor to remit a certain refund to the Service  
12 within a certain amount of time; requiring that a certain refund value be added to  
13 the retail price of a certain container at the time of purchase on and after a certain  
14 date; authorizing certain on-premises sellers to apply to the Service for a bulk refund  
15 rate; authorizing a redeemer to return an empty redeemable beverage container to  
16 a certain location for a certain refund on and after a certain date; requiring a certain  
17 retailer to accept an empty redeemable beverage container and pay a certain refund  
18 value on and after a certain date; requiring a redemption center to accept an empty  
19 redeemable beverage container and pay a certain refund value on and after a certain  
20 date; requiring a certain retailer or redemption center to use certain technology  
21 when redeeming a redeemable beverage container; specifying the contents of the  
22 Program revenue; specifying the manner in which unredeemed deposits will be used;  
23 establishing the Reserve Redeemable Beverage Container Recycling Fund as a  
24 special, nonlapsing fund; specifying the purpose of the Fund; requiring the State  
25 Treasurer to administer the Fund; requiring the State Treasurer to hold the Fund  
26 and the Comptroller to account for the Fund; specifying the contents of the Fund;  
27 specifying the purpose for which the Fund may be used; prohibiting the transfer of  
28 money in the Fund to the General Fund or a special fund of the State; requiring that  
29 money in the Fund be released at least a certain number of times each year;  
30 providing for the investment of money in and expenditures from the Fund; requiring

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 a legislative auditor to audit the accounts and transactions of the Program;  
2 authorizing the Service to request an audit of the Program at any time; requiring the  
3 Service to publish a certain report on its Web site with a certain frequency; requiring  
4 the Service to submit a certain report to the Legislative Policy Committee of the  
5 General Assembly beginning on a certain date and with a certain frequency;  
6 specifying the content of the report; authorizing the Legislative Policy Committee to  
7 initiate a certain review within a certain number of days after receipt of the report;  
8 prohibiting a person from knowingly selling or attempting to redeem a beverage  
9 container in the State that does not comply with this Act; making a person who  
10 violates the prohibition against knowingly selling or attempting to redeem a certain  
11 beverage container in the State guilty of a misdemeanor and subject to a certain  
12 penalty; requiring that certain investment earnings be credited to the Fund; defining  
13 certain terms; and generally relating to the establishment of the Maryland  
14 Redeemable Beverage Container Recycling Refund and Litter Reduction Program.

15 BY adding to

16 Article – Environment

17 Section 9–1733 through 9–1742 to be under the new part “Part V. Maryland  
18 Redeemable Beverage Container Recycling Refund and Litter Reduction  
19 Program”

20 Annotated Code of Maryland

21 (2014 Replacement Volume and 2015 Supplement)

22 BY repealing and reenacting, without amendments,

23 Article – Natural Resources

24 Section 3–105(a)

25 Annotated Code of Maryland

26 (2012 Replacement Volume and 2015 Supplement)

27 BY adding to

28 Article – Natural Resources

29 Section 3–105(g)

30 Annotated Code of Maryland

31 (2012 Replacement Volume and 2015 Supplement)

32 BY repealing and reenacting, without amendments,

33 Article – State Finance and Procurement

34 Section 6–226(a)(2)(i)

35 Annotated Code of Maryland

36 (2015 Replacement Volume)

37 BY repealing and reenacting, with amendments,

38 Article – State Finance and Procurement

39 Section 6–226(a)(2)(ii)84. and 85.

40 Annotated Code of Maryland

41 (2015 Replacement Volume)

1 BY adding to  
2 Article – State Finance and Procurement  
3 Section 6–226(a)(2)(ii)86.  
4 Annotated Code of Maryland  
5 (2015 Replacement Volume)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
7 That the Laws of Maryland read as follows:

8 **Article – Environment**

9 **9–1731. RESERVED.**

10 **9–1732. RESERVED.**

11 **PART V. MARYLAND REDEEMABLE BEVERAGE CONTAINER RECYCLING REFUND**  
12 **AND LITTER REDUCTION PROGRAM.**

13 **9–1733.**

14 **(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS**  
15 **INDICATED.**

16 **(B) (1) “BEVERAGE” MEANS AN ALCOHOLIC OR A NONALCOHOLIC DRINK**  
17 **INTENDED FOR HUMAN CONSUMPTION AND PACKAGED FOR SALE IN A REDEEMABLE**  
18 **BEVERAGE CONTAINER.**

19 **(2) “BEVERAGE” INCLUDES:**

20 **(I) BEER AND OTHER MALT BEVERAGES;**

21 **(II) LIQUOR;**

22 **(III) HARD CIDER;**

23 **(IV) CARBONATED AND NONCARBONATED SOFT DRINKS;**

24 **(V) FLAVORED AND UNFLAVORED BOTTLED WATER;**

25 **(VI) FRUIT JUICE;**

26 **(VII) SPORTS DRINKS; AND**

1 (VIII) TEA AND COFFEE DRINKS REGARDLESS OF DAIRY-DERIVED  
2 CONTENT.

3 (3) "BEVERAGE" DOES NOT INCLUDE:

4 (I) MILK;

5 (II) MILK SUBSTITUTES; OR

6 (III) GROWLERS.

7 (C) "CONSUMER" MEANS A PERSON WHO BUYS A REDEEMABLE BEVERAGE  
8 CONTAINER IN THE STATE FOR USE OR CONSUMPTION OFF PREMISES.

9 (D) (1) "DISTRIBUTOR" MEANS A PERSON THAT PRODUCES, BOTTLES,  
10 IMPORTS, DISTRIBUTES, OR SELLS BEVERAGES IN REDEEMABLE BEVERAGE  
11 CONTAINERS WITHIN THE STATE.

12 (2) "DISTRIBUTOR" INCLUDES:

13 (I) A PERSON THAT SELLS OR DISTRIBUTES A REDEEMABLE  
14 BEVERAGE CONTAINER THAT:

15 1. IS MADE BY THE PERSON; OR

16 2. BEARS A LABEL DISPLAYING THE PERSON'S NAME OR  
17 OTHER REPRESENTATION OF THE PERSON; AND

18 (II) A PERSON THAT SELLS REDEEMABLE BEVERAGE  
19 CONTAINERS ONLINE TO A PERSON RESIDING WITHIN THE STATE.

20 (3) "DISTRIBUTOR" DOES NOT INCLUDE AIRLINES OR SHIPPING  
21 COMPANIES THAT TRANSPORT REDEEMABLE BEVERAGE CONTAINERS.

22 (E) (1) "ON-PREMISES SELLER" MEANS A PERSON THAT SELLS A  
23 BEVERAGE IN A REDEEMABLE BEVERAGE CONTAINER FOR ON-PREMISES  
24 CONSUMPTION.

25 (2) "ON-PREMISES SELLER" INCLUDES:

26 (I) A BAR;

27 (II) A RESTAURANT;

1 (III) A HOTEL;

2 (IV) A SPORTING VENUE WITH MORE THAN 30,000 SEATS; AND

3 (V) A GAMING VENUE.

4 (F) "PROGRAM" MEANS THE MARYLAND REDEEMABLE BEVERAGE  
5 CONTAINER RECYCLING REFUND AND LITTER REDUCTION PROGRAM  
6 ESTABLISHED UNDER § 9-1735 OF THIS PART.

7 (G) (1) "REDEEMABLE BEVERAGE CONTAINER" MEANS AN INDIVIDUAL,  
8 SEPARATE, AND SEALED GLASS, ALUMINUM, OR PLASTIC JAR, CAN, OR BOTTLE THAT  
9 AT ITS TIME OF SALE:

10 (I) CONTAINS NOT MORE THAN 101 FLUID OUNCES AND NOT  
11 LESS THAN 7 FLUID OUNCES OF A BEVERAGE INTENDED FOR HUMAN CONSUMPTION  
12 WITHIN THE STATE;

13 (II) BEARS A UPC; AND

14 (III) MAY BEAR A MARYLAND-SPECIFIC DEPOSIT SECURITY  
15 MARK OR BAR CODE FOR THE PURPOSE OF ENSURING LEGITIMATE REDEMPTION  
16 AND DETERRING FRAUD.

17 (2) "REDEEMABLE BEVERAGE CONTAINER" INCLUDES A CONTAINER  
18 BEARING ANOTHER STATE'S UNIQUE BAR CODE OR DEPOSIT SECURITY MARK USED  
19 FOR THE PURPOSE OF ENSURING LEGITIMATE REDEMPTION.

20 (H) "REDEEMER" MEANS A PERSON, OTHER THAN A DISTRIBUTOR, THAT  
21 DEMANDS THE REFUND VALUE IN EXCHANGE FOR AN EMPTY REDEEMABLE  
22 BEVERAGE CONTAINER.

23 (I) "REDEMPTION CENTER" MEANS A FACILITY THAT ACCEPTS AN EMPTY  
24 REDEEMABLE BEVERAGE CONTAINER FROM A CONSUMER IN EXCHANGE FOR THE  
25 CONTAINER'S REFUND VALUE OR A REDEEMABLE CREDIT SLIP NOT LESS THAN THE  
26 CONTAINER'S REFUND VALUE.

27 (J) "RETAILER" MEANS A PERSON THAT SELLS A BEVERAGE IN A  
28 REDEEMABLE BEVERAGE CONTAINER TO A CONSUMER FOR OFF-PREMISES  
29 CONSUMPTION.

30 (K) "REVERSE VENDING MACHINE" MEANS AN AUTOMATED DEVICE THAT:

1           **(1) ACCEPTS ONE OR MORE TYPES OF EMPTY REDEEMABLE**  
2 **BEVERAGE CONTAINERS;**

3           **(2) USES A LASER SCANNER, A MICROPROCESSOR, OR ANOTHER**  
4 **TECHNOLOGY TO ACCURATELY RECOGNIZE A CONTAINER'S UPC IN ORDER TO**  
5 **DETERMINE WHETHER THE CONTAINER IS A REDEEMABLE BEVERAGE CONTAINER;**

6           **(3) ISSUES A REDEEMABLE CREDIT SLIP FOR A VALUE NOT LESS THAN**  
7 **THE REDEEMABLE BEVERAGE CONTAINER'S VALUE;**

8           **(4) SEPARATES REDEEMABLE BEVERAGE CONTAINERS FROM**  
9 **CONTAINERS THAT ARE NOT REDEEMABLE;**

10           **(5) USES MECHANICAL COMPACTION TO CANCEL REDEEMABLE**  
11 **BEVERAGE CONTAINERS THAT HAVE BEEN REDEEMED; AND**

12           **(6) COMPILES INFORMATION REGARDING THE REDEEMABLE**  
13 **BEVERAGE CONTAINERS THAT HAVE BEEN REDEEMED, INCLUDING THE NUMBER OF**  
14 **REDEEMABLE BEVERAGE CONTAINERS REDEEMED.**

15           **(L) "SERVICE" MEANS THE MARYLAND ENVIRONMENTAL SERVICE.**

16           **(M) "UPC" MEANS A UNIVERSAL PRODUCT CODE.**

17 **9-1734.**

18           **IT IS THE INTENT OF THE GENERAL ASSEMBLY TO:**

19           **(1) ACHIEVE A RECYCLING AND REUSE GOAL OF 70% FOR THE**  
20 **APPROXIMATELY 4,800,000,000 BEVERAGE CONTAINERS SOLD ANNUALLY IN THE**  
21 **STATE;**

22           **(2) REDUCE THE VOLUME OF BEVERAGE CONTAINER LITTER IN THE**  
23 **STATE; AND**

24           **(3) REDUCE LITTER COLLECTION COSTS INCURRED BY COUNTIES**  
25 **AND MUNICIPAL CORPORATIONS.**

26 **9-1735.**

27           **THERE IS A MARYLAND REDEEMABLE BEVERAGE CONTAINER RECYCLING**  
28 **REFUND AND LITTER REDUCTION PROGRAM.**

1 9-1736.

2 THE MARYLAND ENVIRONMENTAL SERVICE SHALL DEVELOP, IMPLEMENT,  
3 AND ADMINISTER THE PROGRAM, INCLUDING:

4 (1) OVERSEEING THE OPERATION AND MAINTENANCE OF THE  
5 PROGRAM, INCLUDING DETERMINING LOGISTICS FOR OPERATING THE PROGRAM  
6 AND INITIATING REFUND COLLECTION AND DISTRIBUTION;

7 (2) COORDINATING THE LOGISTICS FOR COLLECTING REDEEMABLE  
8 BEVERAGE CONTAINERS FROM AN ON-PREMISES SELLER;

9 (3) ESTABLISHING PROCEDURES FOR TRACKING AND SALES OF  
10 REDEEMABLE BEVERAGE CONTAINERS;

11 (4) REGISTERING COVERED BEVERAGE BRANDS;

12 (5) DESIGNING AND OPERATING TRANSPORTATION AND PROCESSING  
13 SERVICES;

14 (6) DEVELOPING AND IMPLEMENTING A PLAN FOR ESTABLISHING,  
15 OPERATING, AND MANAGING REDEMPTION CENTERS AS DEEMED NECESSARY BY  
16 THE SERVICE;

17 (7) ESTABLISHING A PROCESS FOR A COUNTY OR MUNICIPAL  
18 CORPORATION TO APPLY TO THE SERVICE TO OPERATE A REDEMPTION CENTER  
19 LOCATED WITHIN ITS JURISDICTION;

20 (8) DEVELOPING AND IMPLEMENTING A PLAN FOR THE  
21 DISTRIBUTION, OPERATION, AND MAINTENANCE OF REVERSE VENDING MACHINES;

22 (9) MANAGING ALL FINANCES ASSOCIATED WITH OPERATING THE  
23 PROGRAM, INCLUDING ALLOCATING REVENUES FROM UNREDEEMED DEPOSITS IN  
24 ACCORDANCE WITH § 9-1739 OF THIS PART;

25 (10) DEVELOPING ACCOUNTING AND CONTROL STANDARDS;

26 (11) DESIGNING AND OPERATING A FINANCIAL CLEARINGHOUSE TO  
27 REGISTER REDEEMABLE BEVERAGE CONTAINERS;

28 (12) IMPLEMENTING ACCOUNTING, AUDIT, PAYMENT, AND REPORTING  
29 PROCEDURES;

1           **(13) ESTABLISHING A PROCESS, BASED ON DOCUMENTED IMPACTS, TO**  
2 **SUBSIDIZE COUNTY AND MUNICIPAL CURBSIDE RECYCLING COLLECTION AND**  
3 **COUNTY AND MUNICIPAL MATERIAL RECOVERY FACILITIES FOR THE FIRST 3 YEARS**  
4 **OF THE PROGRAM;**

5           **(14) ESTABLISHING AN APPLICATION PROCESS FOR AN ON-PREMISES**  
6 **SELLER TO APPLY TO THE SERVICE TO RECEIVE A BULK RATE FOR THE REDEMPTION**  
7 **OF EMPTY REDEEMABLE BEVERAGE CONTAINERS;**

8           **(15) ESTABLISHING A HIGH-VOLUME VALIDATION AND AUDIT SYSTEM**  
9 **TO PAY A BULK RATE TO AN ON-PREMISES SELLER FOR THE REDEMPTION OF EMPTY**  
10 **REDEEMABLE BEVERAGE CONTAINERS;**

11           **(16) MARKETING REDEEMABLE BEVERAGE CONTAINER MATERIALS**  
12 **FOR REUSE IN THE MANUFACTURING OF GOODS;**

13           **(17) FUNDING A MARKETING PROGRAM TO EDUCATE THE PUBLIC**  
14 **ABOUT THE PROGRAM; AND**

15           **(18) REPORTING INFORMATION GATHERED UNDER THIS PART TO THE**  
16 **DEPARTMENT.**

17 **9-1737.**

18           **(A) (1) ON AND AFTER JULY 1, 2017, EVERY REDEEMABLE BEVERAGE**  
19 **CONTAINER SOLD IN THE STATE SHALL INDICATE CLEARLY A REFUND VALUE OF 5**  
20 **CENTS AND THE WORD "MARYLAND" OR THE LETTERS "MD" ON THE REDEEMABLE**  
21 **BEVERAGE CONTAINER.**

22           **(2) A CONTAINER MARKED IN ACCORDANCE WITH THIS SECTION MAY**  
23 **NOT BE SOLD TO A CONSUMER BEFORE JULY 1, 2017.**

24           **(B) A DISTRIBUTOR SHALL REMIT THE REFUNDS COLLECTED FROM THE**  
25 **SALE OF REDEEMABLE BEVERAGE CONTAINERS IN THE STATE TO THE SERVICE**  
26 **WITHIN 45 DAYS OF COLLECTION.**

27           **(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**  
28 **ON AND AFTER JULY 1, 2017, A REFUND VALUE OF 5 CENTS SHALL BE ADDED TO THE**  
29 **RETAIL PRICE OF A FULL REDEEMABLE BEVERAGE CONTAINER AT THE TIME OF**  
30 **PURCHASE.**



1           **(2) (I) THE RETAIL PRICE OF A FULL REDEEMABLE BEVERAGE**  
2 **CONTAINER SOLD BY AN ON-PREMISES SELLER MAY NOT INCLUDE THE REFUND**  
3 **VALUE OF 5 CENTS.**

4           **(II) THE FOLLOWING ON-PREMISES SELLERS MAY APPLY TO**  
5 **THE SERVICE FOR A BULK REFUND RATE:**

6                   1.   **CASINOS;**

7                   2.   **SPORTING VENUES WITH MORE THAN 30,000 SEATS;**

8 **AND**

9                   3.   **ANY OTHER LARGE VENUE APPROVED BY THE**  
10 **SERVICE.**

11 **9-1738.**

12           **(A) ON AND AFTER JULY 1, 2017, A REDEEMER MAY RETURN AN EMPTY**  
13 **REDEEMABLE BEVERAGE CONTAINER TO A REDEMPTION CENTER OR A**  
14 **PARTICIPATING RETAILER FOR A FULL REFUND OF THE 5-CENT DEPOSIT PAID ON**  
15 **THE CONTAINER.**

16           **(B) ON AND AFTER JULY 1, 2017, A RETAILER WITH A RETAIL BUILDING**  
17 **THAT HAS INDOOR MARKET SPACE OF 5,000 SQUARE FEET OR MORE SHALL ACCEPT**  
18 **AN EMPTY REDEEMABLE BEVERAGE CONTAINER AND IMMEDIATELY PAY TO THE**  
19 **REDEEMER THE FULL REFUND VALUE IN CASH.**

20           **(C) ON AND AFTER JULY 1, 2017, A REDEMPTION CENTER SHALL ACCEPT**  
21 **AN EMPTY REDEEMABLE BEVERAGE CONTAINER AND IMMEDIATELY PAY TO THE**  
22 **REDEEMER THE FULL REFUND VALUE IN CASH.**

23           **(D) A RETAILER OR REDEMPTION CENTER COLLECTING A REDEEMABLE**  
24 **BEVERAGE CONTAINER UNDER THIS SECTION SHALL USE A REVERSE VENDING**  
25 **MACHINE OR OTHER HIGH-SPEED COUNTING AND SORTING TECHNOLOGY TO:**

26                   **(1) VALIDATE EACH REDEEMABLE BEVERAGE CONTAINER**  
27 **INDIVIDUALLY WHEN CALCULATING THE REFUND VALUE TO BE PAID TO A**  
28 **REDEEMER; AND**

29                   **(2) IDENTIFY EACH REDEEMED REDEEMABLE BEVERAGE CONTAINER**  
30 **AS HAVING BEEN REDEEMED.**

31 **9-1739.**

1           **(A) REVENUE FOR THE PROGRAM SHALL CONSIST OF:**

2                   **(1) MONEY COLLECTED FROM THE SALE OF EMPTY REDEEMABLE**  
3 **BEVERAGE CONTAINERS FOR SCRAP MATERIALS; AND**

4                   **(2) UNREDEEMED DEPOSITS.**

5           **(B) FUNDING FOR THE PROGRAM SHALL BE ALLOCATED AS FOLLOWS:**

6                   **(1) 2.875 CENTS PER REDEEMED BEVERAGE CONTAINER SHALL GO**  
7 **TO THE SERVICE FOR OPERATION AND ADMINISTRATION OF THE PROGRAM;**

8                   **(2) 0.125 CENTS SHALL:**

9                           **(i) DURING THE FIRST 3 YEARS OF THE PROGRAM, GO TO**  
10 **DISTRIBUTORS FOR COSTS ASSOCIATED WITH COMPLYING WITH THE PROGRAM;**  
11 **AND**

12                           **(ii) DURING THE FOURTH AND SUBSEQUENT YEARS OF THE**  
13 **PROGRAM, BE ALLOCATED IN A MANNER THAT THE SERVICE DETERMINES IS**  
14 **APPROPRIATE FOR THE SUSTAINABILITY OF THE PROGRAM; AND**

15                   **(3) ANY REMAINING UNREDEEMED FUNDS SHALL BE ALLOCATED IN**  
16 **ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION.**

17           **(C) OF THE MONEY COLLECTED UNDER SUBSECTION (B)(1) OF THIS**  
18 **SECTION, UP TO \$15,000,000 SHALL GO TO THE SERVICE FOR REPAYMENT OF ITS**  
19 **INITIAL CAPITAL INVESTMENT IN THE PROGRAM.**

20           **(D) REVENUES FROM UNREDEEMED DEPOSITS COLLECTED UNDER**  
21 **SUBSECTION (B)(3) OF THIS SECTION AND FROM THE SALE OF SCRAP MATERIALS**  
22 **SHALL, AFTER COSTS FOR OPERATION AND ADMINISTRATION OF THE PROGRAM**  
23 **HAVE BEEN MET, BE ALLOCATED AS FOLLOWS:**

24                   **(1) DURING THE FIRST 3 YEARS OF THE PROGRAM:**

25                           **(i) UP TO \$27,000,000 TO COUNTIES AND MUNICIPAL**  
26 **CORPORATIONS FOR DOCUMENTED LOSSES CLAIMED BY CURBSIDE COLLECTION**  
27 **PROGRAMS AND MATERIAL RECYCLING FACILITIES AND VERIFIED BY THE SERVICE;**

1                   **(II) UP TO \$15,000,000 FOR COUNTIES AND MUNICIPAL**  
2 **CORPORATIONS TO ADDRESS TOTAL MAXIMUM DAILY LOAD ISSUES AS MANDATED**  
3 **BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY; AND**

4                   **(III) UP TO \$21,000,000 TO THE DEPARTMENT FOR COMMUNITY**  
5 **GRANTS FOR LITTER REDUCTION AND ENVIRONMENTAL PROGRAMS;**

6                   **(2) UP TO \$2,000,000 ANNUALLY TO THE CHESAPEAKE BAY TRUST**  
7 **FOR ENVIRONMENTAL GRANTS;**

8                   **(3) \$250,000 TO THE DEPARTMENT FOR ASSISTANCE WITH THE**  
9 **IMPLEMENTATION OF THE PROGRAM; AND**

10                   **(4) ANY REMAINING FUNDS TO THE RESERVE REDEEMABLE**  
11 **BEVERAGE CONTAINER RECYCLING FUND ESTABLISHED UNDER § 9-1740 OF THIS**  
12 **PART.**

13 **9-1740.**

14                   **(A) IN THIS SECTION, “FUND” MEANS THE RESERVE REDEEMABLE**  
15 **BEVERAGE CONTAINER RECYCLING FUND.**

16                   **(B) THERE IS A RESERVE REDEEMABLE BEVERAGE CONTAINER**  
17 **RECYCLING FUND.**

18                   **(C) THE PURPOSE OF THE FUND IS TO:**

19                   **(1) MAINTAIN A RESERVE TO ENSURE THE VIABILITY OF THE**  
20 **PROGRAM; AND**

21                   **(2) PROVIDE FUNDING FOR LITTER REDUCTION AND**  
22 **ENVIRONMENTAL PROGRAMS.**

23                   **(D) THE STATE TREASURER SHALL ADMINISTER THE FUND.**

24                   **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
25 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

26                   **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**  
27 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

28                   **(F) THE FUND CONSISTS OF:**

- 1           **(1) UNREDEEMED DEPOSITS;**
- 2           **(2) INVESTMENT EARNINGS;**
- 3           **(3) ANNUAL SURPLUS FROM THE OPERATION OF THE PROGRAM; AND**
- 4           **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
5 **THE BENEFIT OF THE FUND.**

6           **(G) (1) THE FUND MAY BE USED ONLY FOR IMPLEMENTATION,**  
7 **OPERATION, AND SUSTAINABILITY OF THE PROGRAM.**

8           **(2) MONEY IN THE FUND MAY NOT BE TRANSFERRED TO THE**  
9 **GENERAL FUND OR A SPECIAL FUND OF THE STATE.**

10           **(3) MONEY IN THE FUND SHALL BE RELEASED AT LEAST ONE TIME**  
11 **EACH YEAR.**

12           **(H) THE STATE TREASURER SHALL INVEST THE MONEY IN THE FUND IN**  
13 **THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

14           **(I) THE FUND SHALL BE INVESTED AND REINVESTED, AND ANY**  
15 **INVESTMENT EARNINGS SHALL BE:**

16           **(1) PAID INTO THE FUND UNTIL THE FUND REACHES \$30,000,000;**  
17 **AND**

18           **(2) PAID OUT ANNUALLY FOR LITTER REDUCTION AND**  
19 **ENVIRONMENTAL PROGRAMS FOR FUNDING IN THE RESERVE THAT EXCEEDS**  
20 **\$30,000,000.**

21 **9-1741.**

22           **(A) (1) ON OR AFTER JULY 1, 2017, THE LEGISLATIVE AUDITOR SHALL**  
23 **AUDIT THE ACCOUNTS AND TRANSACTIONS OF THE PROGRAM AS PROVIDED IN §**  
24 **2-1220 OF THE STATE GOVERNMENT ARTICLE.**

25           **(2) THE SERVICE MAY REQUEST AN AUDIT OF THE PROGRAM AT ANY**  
26 **TIME.**

27           **(B) THE SERVICE SHALL PUBLISH ANNUALLY ON ITS WEB SITE AN UPDATE**  
28 **ON THE PROGRAM, INCLUDING:**

1           **(1) THE BALANCE OF THE RESERVE REDEEMABLE BEVERAGE**  
2 **CONTAINER RECYCLING FUND;**

3           **(2) REDEMPTION RATES;**

4           **(3) OPERATIONAL UPDATES;**

5           **(4) PUBLIC EDUCATION EFFORTS; AND**

6           **(5) ANY OTHER INFORMATION THAT THE SERVICE DETERMINES IS**  
7 **NECESSARY TO PROVIDE THE PUBLIC WITH A COMPLETE OVERVIEW OF AND UPDATE**  
8 **ON THE PROGRAM.**

9           **(C) (1) BEGINNING ON DECEMBER 31, 2020, AND EVERY 5 YEARS**  
10 **THEREAFTER, THE SERVICE SHALL SUBMIT A REPORT TO THE GOVERNOR AND THE**  
11 **LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY.**

12           **(2) THE SERVICE SHALL REPORT ON:**

13                   **(I) PROGRAM MANAGEMENT AND ADMINISTRATION;**

14                   **(II) PROGRAM FINANCES;**

15                   **(III) FRAUD MITIGATION;**

16                   **(IV) PROGRAM SUCCESSES AND CHALLENGES; AND**

17                   **(V) ANY OTHER INFORMATION THAT THE SERVICE CONSIDERS**  
18 **NECESSARY TO PROVIDE A COMPLETE OVERVIEW OF AND UPDATE ON THE**  
19 **PROGRAM.**

20           **(3) THE LEGISLATIVE POLICY COMMITTEE SHALL HAVE 45 DAYS**  
21 **AFTER RECEIPT OF THE REPORT TO INITIATE A REVIEW OF THE PROGRAM.**

22 **9-1742.**

23           **(A) A PERSON MAY NOT KNOWINGLY SELL OR ATTEMPT TO REDEEM IN THE**  
24 **STATE A BEVERAGE CONTAINER THAT DOES NOT COMPLY WITH THE REQUIREMENTS**  
25 **OF THIS PART.**

26           **(B) A PERSON WHO VIOLATES SUBSECTION (A) OF THIS SECTION IS GUILTY**  
27 **OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING**  
28 **\$250.**

1 **Article – Natural Resources**

2 3–105.

3 (a) The Service is responsible for carrying out the following general activities  
4 subject to the limitations stated in this section.

5 **(G) EXECUTE THE POWERS AND PERFORM THE DUTIES SET FORTH IN TITLE**  
6 **9, SUBTITLE 17, PART V OF THE ENVIRONMENT ARTICLE.**

7 **Article – State Finance and Procurement**

8 6–226.

9 (a) (2) (i) Notwithstanding any other provision of law, and unless  
10 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
11 terms of a gift or settlement agreement, net interest on all State money allocated by the  
12 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
13 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
14 Fund of the State.

15 (ii) The provisions of subparagraph (i) of this paragraph do not apply  
16 to the following funds:

17 84. the Economic Development Marketing Fund; [and]

18 85. the Military Personnel and Veteran–Owned Small  
19 Business No–Interest Loan Fund; AND

20 **86. THE RESERVE REDEEMABLE BEVERAGE CONTAINER**  
21 **RECYCLING FUND.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 October 1, 2016.