

LEG. FINANCE - BILLS

1977 - 1978

677

HB 171

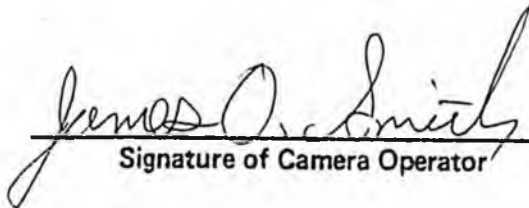
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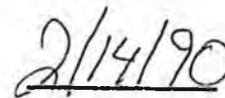


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Date

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH 0 - JUNEAU 53811

February 28, 1978

True

115171

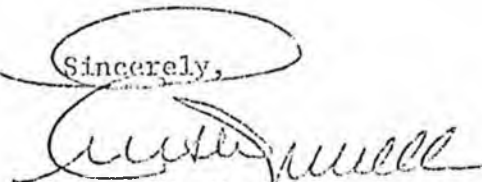
The Honorable John C. Sackett
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

Last spring in response to a request from the House Commerce Committee we prepared an analysis of costs involved in shipping empty beverage containers (bottles and aluminum cans) from various points within Alaska to markets in Seattle.

We have recently completed an update of this analysis and it is enclosed for review and utilization by your committee. If you have questions do not hesitate to call on us.

Sincerely,



Ernst W. Mueller
Commissioner

Enclosure

cc: The Honorable Mike Miller
House of Representatives, w/enclosures

Beverage Container Backhaul

DEC/February 1978

[A] Type of Container	[B] Zone	[C] % of State's Population	[D] No. of Containers Projected	Shipping Cost to Seattle		Value in Seattle		Value in Seattle minus Shipping Cost	
				[E] Total	[F] Unit	[G] Total	[H] Unit	[I] Total Net	[J] Unit Net
Bottles	Anchorage	44%	99,880,000	\$ 609,268	\$0.0061	\$1,667,996	\$0.0167	\$1,058,728	\$0.0106
Cans (Alum.)				52,980	0.0005	739,112	0.0074	686,132	0.0069
Bottles	Fairbanks	15%	34,050,000	234,945	0.0069	568,635	0.0167	333,690	0.0098
Cans (Alum.)				20,430	0.0006	251,970	0.0074	231,540	0.0068
Bottles	S.E. Alaska	12%	27,240,000	532,542	0.0195	454,908	0.0167	(-) 77,634	(-)0.0028
Cans (Alum.)				19,660	0.0007	201,576	0.0074	181,916	0.0067
Bottles	On road or ferry system but outside above urban areas	14%	31,780,000	988,358	0.0311	530,726	0.0167	(-)457,632	(-)0.0144
Cans (Alum.)				85,944	0.0027	235,172	0.0074	149,228	0.0047
Bottles	Roadless Areas (Bush)	15%	34,050,000	1,021,500	0.030	568,635	0.0167	(-)452,865	(-)0.0133
Cans (Alum.)				57,885	0.0017	251,970	0.0074	194,085	0.0057
			227,000,000					\$ 404,287 (bottles)	
								\$1,442,901 (alum. cans)	

Note: All values are calculated on the assumption that either refillable bottles or all-aluminum cans are used. Therefore the value of 99,880,000 in column [D] means that number of bottles would be emptied in the Anchorage area if all beverages arrived in bottles.

Explanation of Beverage Container Backhaul Chart

Column [A]: This analysis only considered all-aluminum cans and refillable glass bottles. For the glass bottle a 12 fl. oz. beer bottle was used in most calculations.

Column [B]: The state was sub-divided into five zones. The Anchorage area is one zone; the Fairbanks area another. Both urban and rural areas in S.E. Alaska are included in one zone because of reported similar freight rates. Communities such as Homer, Valdez, Palmer, Delta, and Soldotna are included in a zone for communities connected to Anchorage or Fairbanks by the road or ferry system. This zone excludes Anchorage, Fairbanks, and all of S.E. Alaska. The remaining zone includes communities not connected to Anchorage or Fairbanks by the road or ferry system.

Column [C]: These values were estimated using population figures reported by the Department of Community and Regional Affairs for 1977.

Column [D]: Since we have no figures indicating respective proportions of cans and bottles constituting total number of containers, the analysis is carried through separately for each type of container. The Alaska Department of Revenue recorded 9,242,604 taxable gallons of beer entering the state in FY 77. This excludes approximately 5% to the military and a minor amount lost to breakage. The above figure is equivalent to 98,587,769 12 oz. beer bottles and cans brought into Alaska in FY 77. To estimate the number of soft drink containers, figures from the 1972 National Soft Drink Association and the 1973 Brewers Almanac (In Oregon Bottle Bill: "A Riproaring Success" by Savage & Richmond, 1974, pp. 5,6) were used. These figures indicate approximately 30% greater volume of soft drinks than beer is consumed nationwide. Applying this to Alaska, approximately 123,000,000 containers of soft drink are calculated to have entered the state in FY 77. Remember, this is based on the assumption that this total gallonage is sold in 12 fl. oz. containers. Adding these two figures we arrive at a total estimation of 227,000,000 beverage containers sold in Alaska during FY 77.

Using this figure of 227,000,000 and assuming that consumption of beverages is directly proportional to population, we obtained the values in Column [D] by multiplying 227,000,000 by the percentage of total population within each of the five geographic zones.

Columns [E] and [F]: The shipping rates for each of the five areas of the state are based on figures obtained from barge and trucking companies in January and February 1978.

Anchorage: Sea-Land would ship full truck loads of empty bottles to Seattle for \$1.22/100#. They stated aluminum scrap would be similar.

Fairbanks: Sea-Land would ship full truck loads of empty bottles to Seattle for \$1.38/100#. Aluminum scrap would be similar.

Juneau and other SE communities: Foss Alaska Line on 1-30-78 quotes \$1.66/100 from Juneau for lots of greater than 16,000# of recyclable bottles, and \$3.91/100 for aluminum. They said rates from other S.E.

communities would be similar.

Communities served by road or ferry in northern Alaska: Weaver Brothers Trucking quoted various figures for each community to Anchorage or Fairbanks. A general average of \$5.00/100# over 5,000 lbs., was assigned to these communities and added to the Anchorage figure of \$1.22/100# (Anch.-Seattle) to obtain an average shipping cost from these communities to Seattle of \$6.22/100#. This figure was used for both bottles and aluminum cans, and does not include loading, handling, and unloading in Anchorage.

Bush communities: Foss Alaska Line on 1-30-78 quotes backhaul rates from Bethel and Nome to Seattle near \$3.50/100# for aluminum and \$6.00/100# for bottles. Smaller communities would require additional litarage charges from these ports which vary greatly with the community. Crowley Maritime on 2-17-78 quotes backhaul rates to Seattle from Barrow, Dillingham, Kotzebue, and Mountain Village near \$4.00/100# for aluminum in full van containers. Rates would be approximately 60% higher for partial loads.

Some communities would be much higher than these quotes, but the average may fall near \$4.00/100# for a large load without handling or wharfage charges.

These average backhaul rates for each area of the state were then reduced to a "per container" rate. For returnable beer bottles a commonly quoted weight of 8 oz. per bottle, or two per pound, was used. It takes 23 aluminum cans to make one pound.

$$\text{Unit backhaul rate for bottles} = \frac{\text{Shipping rate per 100 pounds}}{2 \text{ bottles per lb.} \times 100 \text{ pounds}}$$

$$\text{Unit backhaul rate for alum. cans} = \frac{\text{Shipping rate per 100 pounds}}{23 \text{ cans per lb.} \times 100 \text{ pounds}}$$

Column [H]: Unit prices for empty bottles are based on a current value of \$0.40 per case of 24 11 oz. "stubbies", whereas unit prices for empty cans are based on a salvage value of \$0.17/lb. according to Washington State Department of Ecology (2-1-78). Aluminum can prices can vary from \$.15 to \$.20/lb.

Column [G]: These values were obtained by multiplying the number of containers projected for an area by the unit value.

Columns [I] and [J]: These values were obtained by subtracting the cost of shipping empties to Seattle from their worth once there. A minus sign denotes a net loss, i.e., the cost of shipping exceeds value.

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3600


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 25, 1973

SUBJECT: SCS for CSHB 171 am (Bottle Bill)

TO: Senator Clem V. Tillion

FROM: James I. Baldwin 
Legislative Counsel

Please find enclosed a version of HB 171 which was redrafted according to your instructions. You will also find attached an alternate version of a section contained in that draft. The alternate is proposed in anticipation of possible objections that may be raised by distributors to the plan for designating container collection services in AS 18.32.050 (contained in sec. 1 of the Act and appearing on page 4, line 24). The existing section 65 was drafted when no one expected the distributors to gladly undertake the collection of empty beverage containers. Now, if the figures you mentioned to me are correct, the collection and disposition of the empty beverage containers could be a financially rewarding business and the distributors may want to be a part of it. The alternate section presented parallels the Alaska Administrative Procedure Act (APA) (AS 44.62) and incorporates the procedures and notice requirements contained in that Act. By adhering to the APA, the department can obtain public input and avoid possible claims of arbitrariness or favoritism. I also feel that section 65 as it appears in the bill could be improved upon and that the alternate is a better way of saying basically the same thing. I realize that political considerations may make a redraft of that section impractical at this time.

You may also wish to consider an alternate plan which would permit container collection services but on a non-exclusive basis, that is, both distributors and container collection services could collect from dealers but a container collection service would deliver empties to the appropriate distributor. It could also be provided that if a container collection service is engaged in general clean-up collection of empties from public areas, it would be entitled to receive unclaimed refunds held by distributors. The aforementioned scheme has not been presented in draft form but only mentioned so that you may evaluate possible compromise approaches that may be indicated by updated profitability forecasts for the recycling business in Alaska.

JLB:hjd:jpd

Enclosure

Original sponsors: Miller, Akers,
Gruening, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 171 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of beverage containers;
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 18 is amended by adding a new chapter to read:

10 CHAPTER 32. RETURNABLE BEVERAGE CONTAINERS.

11 Sec. 18.32.010. INTENT. It is the intent of this chapter to avoid
12 the waste of nonrenewable resources, to decrease litter in Alaska, to
13 provide jobs for Alaskans in those business concerns recycling beverage
14 containers, and to avoid the increasing pollution of our environment, by
15 requiring the sale of refundable, reusable, biodegradable beverage
16 containers and by authorizing redemption centers for the convenient
17 return of the containers.

18 Sec. 18.32.020. REFUND VALUE REQUIREMENTS OF BEVERAGE CONTAINERS.

19 (a) Every beverage container sold or offered for sale in this state
20 shall have a refund value of not less than 10 cents.

21 (b) The refund value established under (a) of this section is not
22 included in the price of a beverage but shall be collected separately by
23 the dealer or distributor at the time of sale, except that vending
24 machines providing beverages in beverage containers may include the
25 refund value in the price charged at the machine, but only if a sign is
26 displayed upon the vending machine informing the vendee of the price of
27 the beverage and the refund value of the empty beverage container.

28 Sec. 18.32.030. DEALER OR DISTRIBUTOR REFUSAL TO ACCEPT PROHIBITED.

29 (a) Except as provided in sec. 40 of this chapter, no dealer may refuse

1 to accept from a person an empty beverage container of the kind, size
2 and brand sold by the dealer, or refuse to pay to that person the refund
3 value of a beverage container established under sec. 20 of this chapter.

4 (b) Except as provided in secs. 40 and 65(c) of this chapter, no
5 distributor may refuse to accept from a dealer an empty beverage con-
6 tainer of the kind, size and brand sold by the distributor, or refuse to
7 pay the dealer the refund value of a beverage container established
8 under sec. 20 of this chapter.

9 (c) In this section, the term "empty beverage container" includes
10 a beverage container that is a crushed metal can if the label required
11 under sec. 50(b) of this chapter is legible.

12 Sec. 18.32.040. DEALER AND DISTRIBUTOR REFUSALS TO ACCEPT CON-
13 TAINERS. (a) A dealer may refuse to accept from a person, and a dis-
14 tributor or a container collection service may refuse to accept from a
15 dealer, an empty beverage container which does not state on it a refund
16 value as established by sec. 20 of this chapter.

17 (b) A dealer, distributor or container collection service may
18 refuse to accept an otherwise reusable beverage container which has been
19 damaged in a manner to preclude its reuse or which is in an unsanitary
20 condition. The department shall adopt regulations defining when a
21 beverage container is not reusable or is in an unsanitary condition.

22 (c) A dealer may refuse to accept empty beverage containers if the
23 place of business of the dealer and the kind and brand of empty beverage
24 containers are included in an order of the department approving a re-
25 demption center under sec. 60 of this chapter.

26 Sec. 18.32.050. CONTAINER MARKING AND CONSTRUCTION. (a) No bever-
27 age container may be sold or offered for sale in this state after July 1,
28 1979 unless it is reusable, recyclable or biodegradable.

29 (b) Each beverage container sold or offered for sale in this state

1 by a dealer shall clearly indicate by embossing or by a stamp, or by a
2 label or other method securely affixed to the beverage container, the
3 refund value of the container.

4 (c) The requirement in (b) of this section does not apply to glass
5 beverage containers which were manufactured before July 1, 1979 which
6 have a brand name permanently marked on them, but those containers shall
7 have a refund value of not less than 10 cents.

8 (d) No person may sell or offer for sale at retail in this state a
9 non-glass beverage container so designed and constructed that the con-
10 tainer can be opened by detaching a part of the container.

11 (e) The information required under (b) of this section shall
12 appear on the lid of all metal cans containing beverages sold or offered
13 for sale in this state.

14 Sec. 18.32.060. REDEMPTION CENTERS. (a) Any person may establish
15 a redemption center for the return of empty beverage containers and to
16 serve dealers of beverages, subject to the approval of the department.
17 The public may return empty beverage containers at the redemption center
18 and receive payment of the refund value for the beverage containers.
19 Dealers not served by a redemption center shall accept beverage con-
20 tainers for refund at their place of business.

21 (b) Application for approval of a redemption center shall be filed
22 with the department. The application shall state the name and address of
23 the person responsible for the establishment and operation of the redemp-
24 tion center, the kind and brand names of the beverage containers which
25 will be accepted at the redemption center, and the names and addresses
26 of the dealers to be served by the redemption center. The application
27 shall include additional information as the department requires.

28 (c) The department shall approve a redemption center if it finds
29 the redemption center will provide a convenient service to the public
30

1 for the return of empty beverage containers. The order of the depart-
2 ment approving a redemption center shall state the dealers to be served
3 by the redemption center and the kind and brand names of empty beverage
4 containers which the redemption center is required to accept. The order
5 may contain other provisions to insure that the redemption center will
6 provide a convenient service to the public as the department may deter-
7 mine.

8 (d) The department may review at any time approval of a redemption
9 center. After written notice to the person responsible for the estab-
10 lishment and operation of the redemption center, and to the dealers
11 served by the redemption center, the department may, after hearing,
12 withdraw approval of a redemption center if the department finds there
13 has not been compliance with its order approving the redemption center
14 or if the redemption center no longer provides a convenient service to
15 the public.

16 (e) A list of the dealers served and the kind and brand names of
17 empty beverage containers accepted at the redemption center shall be
18 prominently displayed for the information of the public.

19 (f) A dealer served by a redemption center shall by placement of
20 signs in a conspicuous place within his place of business inform the
21 public of the location of a redemption center serving that dealer.

22 (g) The department shall adopt regulations establishing procedures
23 for approval or withdrawal of approval under this section.

24 Sec. 18.32.065. CONTAINER COLLECTION SERVICE. (a) The department
25 may contract with a person, business concern, general law or home rule
26 municipality, or nonprofit organization to provide a container collec-
27 tion service within an area designated by the department. The agreement
28 between the contractor and the department shall provide for an exclusive
29 or specifically limited right to collect beverage containers from

1 dealers within a designated area and a requirement that a contractor
2 make regular collections of beverage containers from dealers. The
3 department may exclude a certain brand of beverage container from the
4 coverage of a container collection service contract.

5 (b) The department shall designate areas within which a container
6 collection service will perform duties under the contract. The procure-
7 ment of container collection services for the contract area shall be
8 advertised locally in the area where the service is to be rendered.
9 Selection of the contractor shall be accomplished by direct negotiation
10 with all parties responding with a proposal for the delivery of the
11 requested services. An award of a contract for container collection
12 services shall be made to the party submitting a proposal that is deter-
13 mined by the department to best serve the need for container collection
14 within the contract area.

15 (c) A distributor shall pay monthly to the contractor an amount
16 equal to the refund value of all beverage containers covered by the
17 contract and sold during the month by that distributor in the area of
18 service granted under the contract. The container collection service
19 shall assume the distributor's responsibility for paying the refund
20 value on and further disposition of beverage containers collected by or
21 delivered to it.

22 Sec. 18.32.070. PENALTY. (a) A person who violates secs. 20 - 30
23 or 50 of this chapter is guilty of a misdemeanor and, upon conviction,
24 is punishable by a fine of not less than \$200 nor more than \$1,000.

25 (b) Each day a violation referred to by (a) of this section con-
26 tinues constitutes a separate offense. Those separate offenses may be
27 joined in one indictment or complaint or information in several counts.

28 Sec. 18.32.080. REPORT TO THE LEGISLATURE. (a) Before January 1,
29 1982, the department shall submit a report to the legislature to include

1 but not be limited to an analysis of

2 (1) the costs resulting from compliance with this chapter
3 incurred by

4 (A) persons licensed under AS 04.10;

5 (B) persons who engage in the nonalcoholic beverage
6 manufacturing business; and

7 (C) persons engaged in the business of manufacturing
8 beer and other malt beverages;

9 (2) the problems, if any, incurred in the distribution, sale
10 and return of beverage containers subject to this chapter;

11 (3) the effectiveness of the provisions of this chapter in
12 the reduction of the incidence of littering of beverage containers in
13 the state, which shall be based upon an annual comprehensive litter
14 measurement program of selected roads, highways, parks, recreation areas
15 and working and living areas of the state, beginning July 1, 1979 and
16 ending before January 1, 1982;

17 (4) the costs incurred in the enforcement of the provisions
18 of this chapter.

19 (b) The department may recommend legislative changes based on the
20 analysis required under (a) of this section.

21 Sec. 18.32.090. DEFINITIONS. In this chapter

22 (1) "beverage" means beer or other malt beverages and mineral
23 waters, soda water and similar carbonated soft drinks in liquid form and
24 intended for human consumption;

25 (2) "beverage container" means the individual, separate,
26 sealed glass, metal or plastic bottle, can or jar containing a beverage;

27 (3) "dealer" means a person in this state who engages in the
28 sale of beverages in beverage containers to a consumer, or a redemption
29 center approved under sec. 60 of this chapter, but does not include a

1 person who allows the placement upon his premises of a vending machine
2 that dispenses beverages when the vending machine is owned by another
3 person regularly in the vending machine business;

4 (4) "department" means the Department of Environmental Con-
5 servation;

6 (5) "distributor" means a person located in the state who
7 engages in the sale of beverages in beverage containers to a dealer in
8 this state, including a manufacturer who engages in sales to a dealer;

9 (6) "manufacturer" means a person bottling, canning, or
10 otherwise filling beverage containers for sale to distributors or
11 dealers;

12 (7) "place of business of a dealer" means the location at
13 which a dealer sells or offers for sale beverages in beverage containers
14 to consumers;

15 (8) "use or consumption" includes the exercise of a right or
16 power over a beverage incident to its ownership other than the sale or
17 the retention of a beverage for the purposes of sale.

18 * Sec. 2. This Act expires April 15, 1984.

19 * Sec. 3. This Act takes effect July 1, 1979.

COMMITTEE REPORT
SENATE

5/23/77

May 15, 1978

Date

Mr. President:

The Committee on FINANCE has had CSHB 171 am
sale of beverage containers
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for S HB 171 (Fin.) and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

75.5-19 [unclear]

MEMBERS SIGNING THE MAJORITY REPORT:

<u>Mr. [unclear]</u>	<u>Mr. [unclear]</u>	<u>Clara Tullion de P...</u>
<u>[unclear]</u>	<u>[unclear]</u>	<u>[unclear]</u>
<u>[unclear]</u>	<u>No Pass</u>	<u>[unclear]</u>
<u>[unclear]</u>	<u>Do NOT Pass</u>	<u>[unclear]</u>

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

[Signature]
Chairman

Alternate for Sec. 18.32.065
of SCS CSHB 171(Finance)

1 Sec. 18.32.065. CONTAINER COLLECTION. (a) Any person may peti-
2 tion the department to adopt a regulation under AS 44.62.180 - 44.62.290
3 which designates that person as the collector of empty beverage con-
4 tainers and establishes a collection service area in which the collector
5 has the exclusive right to collect empty beverage containers. Upon
6 receipt of a petition, the department shall, within 30 days, deny the
7 petition in writing or schedule the matter for public hearing under AS
8 44.62.190 - 44.62.210.

9 (b) The department may grant the petition and adopt a regulation
10 only if it determines that the proposed collector and the area proposed
11 for designation as a collection service area will best serve the needs
12 of the public, dealers and distributors for convenient and economical
13 collection of empty beverage containers.

14 (c) A regulation adopted under this section shall contain provi-
15 sions that

16 (1) describe the collection service area designated;

17 (2) designate the collector;

18 (3) prohibit persons other than the designated collector from
19 redeeming or collecting specified empty beverage containers from dealers
20 and redemption centers located in the described collection service area;

21 (4) specify the kinds or brand names of empty beverage con-
22 tainers redeemable by the collector; and

23 (5) require regular collection of specified empty beverage
24 containers from dealers and redemption centers located in a collection
25 service area.

26 (d) After the regulation adopted under (b) of this section becomes
27 effective, a distributor shall pay each month to the collector an amount
28 equal to the refund value of all beverage containers specified in the
29 regulation and sold during the month by that distributor in the collec-

1 tion service area. The collector shall assume the distributor's respon-
2 sibility for paying the refund value on and further disposition of
3 beverage containers collected by or delivered to it.
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THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate CS for CS for House Bill No. 171
 Title An Act relating to litter control
 Requested by Senate Finance Committee Date 5/26/78

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 Budget Request Unit(s) Affected Audit Division

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		61.6	61.6	61.6	61.6	61.6
200 TRAVEL		10.0	5.0	5.0	5.0	5.0
300 CONTRACTUAL		7.5	7.5	7.5	7.5	7.5
400 COMMODITIES		1.2	1.2	1.2	1.2	1.2
500 EQUIPMENT		1.8	.2	.2	.2	.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		82.1	75.5	75.5	75.5	75.5

FUNDING (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND		82.1	75.5	75.5	75.5	75.5
FEDERAL FUNDS						
OTHER (Specify)						


POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memo to R. D. Stevenson dated 5/26/78.

IV. DATE May 26, 1978

PREPARED BY 
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320

Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: May 26, 1978

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: SCS CS HB 171

This latest Senate Committee Substitute for House Bill 171, among other things, provides for a litter control tax measured by the gross receipts of businesses in the state. This assessment would be levied on all businesses in the state, with the exception of those conducting the activity of growing food products or raising animals for food products. It is anticipated that we would initially receive approximately 10,000 returns. The staffing requests would be one Tax Examiner to do an in-house desk review of the returns filed and two audit positions to perform necessary field work to ensure compliance with the law.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCS CSHB 171
 Title Relating to the comprehensive recycling and reduction of litter.
 Requested by Senate Rules Committee Date 5/23/78

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected General Government
 Budget Request Unit(s) Affected Administrative Services

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		11.0	4.5	4.6	6.0	6.3
200 TRAVEL						
300 CONTRACTUAL		3.0	4.0	4.5	5.0	6.0
400 COMMODITIES		.5	.5	.5	.6	.8
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	14.5	9.0	9.6	11.6	13.1

FUNDING (Thousands of Dollars)

GENERAL FUND		14.5	9.0	9.6	11.6	13.1
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS


FULL TIME						
PART TIME		2/5mm	1/3mm	1/3mm	1/4mm	1/4mm
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Based upon Gross Receipts reported in 1976 the income from this bill would be \$894,500.

Personal Services cost in FY 79 includes initial systems design and programming, 3 mm, and handling of the returns and assessments, 2 mm. Succeeding FY estimates are for return and assessments handling. About 7,000 assessments would be made on the 1976 taxpayers.

The bill should contain the date assessments are to be made. May 1 would allow for receiving all the returns due the preceeding December 31. The bill should have an assessment penal provision similar to AS 43.70.100.

IV. DATE May 23, 1978 PREPARED BY  Philip A. Wall
 AGENCY Revenue
 PHONE 465-2313
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE
of ALASKA


MEMORANDUM

TO: Robert D. Stevenson
State Investment Officer
Department of Revenue

DATE: May 23, 1978

FILE NO:

TELEPHONE NO:

FROM: Philip A. Wall, Director 
Administrative Services
Department of RevenueSUBJECT: SCS CSHB 171 (Rules)
Re: Relating to Litter

The bill establishes a Division of Recycling and Litter Reduction in the Department of Community and Regional Affairs and establishes a Litter Control Assessment as a new chapter 71 under AS 43.

To estimate the income from the assessment the last complete Gross Receipts year, 1976, was used. Based upon that year litter assessments are:

<u>1976 GROSS RECEIPTS REPORTED</u>	<u>NO. OF BUSINESSES</u>	<u>DOLLARS OF ASSESSMENT</u>	<u>PROCEEDS IN DOLLARS</u>
Under \$100,000	14,246	0	0
\$100,000-199,999	1,839	10	18,390
200,000-499,999	1,420	25	35,500
500,000-999,999	1,163	50	58,150
1,000,000-1,999,999	567	100	56,700
2,000,000-4,999,999	383	250	95,750
5,000,000-9,999,999	140	500	70,000
10,000,000-14,999,999	49	1,500	73,500
15,000,000-19,999,999	20	2,000	40,000
20,000,000-24,999,999	14	2,500	35,000
25,000,000-29,999,999	9	3,000	27,000
30,000,000-34,999,999	6	3,500	21,000
35,000,000-39,999,999	3	4,000	12,000
40,000,000-44,999,999	2	4,500	9,000
45,000,000-49,999,999	3	5,000	15,000
50,000,000-54,999,999	3	5,500	16,500
55,000,000-59,000,000	3	6,000	18,000
60,000,000-64,999,999	3	6,500	19,500
70,000,000-74,999,999	2	7,500	15,000
95,000,000-99,9,999	3	10,000	30,000
105,000,000-109,999,999	2	11,000	22,000
115,000,000-119,999,999	1	12,000	12,000
145,000,000-149,999,999	1	15,500	15,500

Robert Stevenson

2

May 23, 1978

165,000,000-169,999,999	1	17,500	17,500
185,000,000-189,999,999	1	19,500	19,500
200,000,000-204,999,999	2	21,500	42,000
240,000.000 and up	<u>4</u>	<u>25,000</u>	<u>100,000</u>
TOTALS	19,890		\$894,490

Some resources will be required to administer the bill and some definition is required in the bill to assist in administration. Some of the definitions needed are:

1. When is the assessment to be made and when are proceeds from the assessment to be paid. Gross Receipts are due and payable on December 31st each year. However, it does not have to be paid until the end of February and, through extension, until April 30.

Recommendation: That the bill require the assessment be made on May 1 for Gross Receipts reported through the preceeding December 31 and that the assessment be paid by June 1.

2. There are no penal provisions associated with this new chapter.

Recommendation: That the penal provisions order AS 43.70.100 be modified and added to the bill in this new chapter.

Resources needed to administer the bill:

1. Three man months Systems Analyst/Programming time for design of the system and programming - Range 18: \$8,000.

2. Two man months of Tax Examiner time to process the returns and assessment documents - Range 10: \$3,000.

3. Assessment Forms, letter stock, envelopes: \$500. Postage, phone and toll calls: \$2,500.

cc: John Messenger
Gary Jenkins

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCS for CS for HB 171
 Title An Act Relating to Litter Control
 Requested by Miller, Akins, Gruening, et. al. Date May 23, 1977

II. FISCAL DETAIL

Agency Affected Environmental Conservation
 Program Category Affected NRM & EC
 Budget Request Unit(s) Affected Terrestrial Programs, Field Operations, Ad. Support

EXPENDITURES (Thousands of Dollars) No Inflation taken

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		334.0	1,541.2	1,541.2	1,541.2	1,541.2
200 TRAVEL		35.0	89.0	89.0	89.0	89.0
300 CONTRACTUAL		58.0	627.2	657.2	657.2	657.2
400 COMMODITIES		37.2	42.7	42.7	42.7	42.7
500 EQUIPMENT		188.1	351.0	35.0	35.0	35.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		652.3	2,651.1	2,365.1	2,365.1	2,365.1

FUNDING (Thousands of Dollars)

GENERAL FUND for litter control		352.3	176.9	176.9	176.9	176.9
FEDERAL FUNDS						
OTHER (Specify) <u>Deposit investment</u>			648.3	648.3	648.3	648.3
<u>Litter Control Tax</u>		300.0	300.0	300.0	300.0	300.0
<u>Non-return Containers</u>			688.7	402.7	402.7	402.7
<u>Recycling</u>			837.2	837.2	837.2	837.2

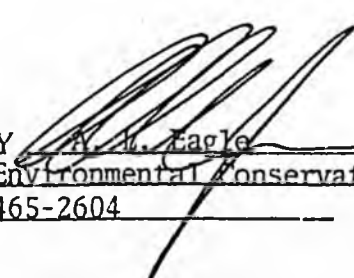
POSITIONS

FULL TIME		12	50	50	50	50
PART TIME		11	42.5	42.5	42.5	42.5
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Profit to General Fund after Program expenses from Recycling Program -0- 1,472.5 1,758.5 1,758.5 1,758.5

See attached analysis for detail

IV. DATE May 26, 1977 PREPARED BY 
 AGENCY Environmental Conservation
 Original: Legislative Finance PHONE 465-2604
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Fiscal Analysis of SCS for CS for HB 171

Senate Committee Substitute for Committee Substitute for House Bill 171 provides generally for two major environmental programs:

1. A litter control system
2. Recyclable beverage container system

The difficulty in preparing a fiscal note on this bill stems from the assumptions one must make under some of the more generally worded provisions. Accordingly, an attempt will be made to clearly establish the assumptions underlying the conclusions at which we arrived. Because the litter control provisions are effective in FY 78 and the recycling provisions don't take effect until FY 79, the litter control provisions will be discussed first.

Article 2 of the subject Bill requires the establishment of a litter patrol, prohibits littering, requires the placement of litter receptacles at a number of locations, requires the distribution of litter bags, establishes a litter control tax, and assigns a number of ancillary duties to the Department of Environmental Conservation.

The following fiscal impacts on the Departments Budget are apparent:

1. The establishment of a litter control tax primarily requires action by the Department of Revenue. That impact will not be discussed here. However, the amount of the tax which will be collected has a definite bearing on this Departments activities under the Act. This tax has been variously estimated as \$650,000 per year by the Department of Revenue or about \$300,000 by this Department (attachments 1 and 2, respectively). The \$300,000 estimate will be used for this fiscal note.
2. The range of administrative activities required under Article II will swamp the Department's already overloaded administrative support staff. Therefore, an Administrative Assistant position will be required to assist in establishing the litter patrol, purchasing necessary equipment etc., this position may be required only for the first year.

<u>Object Code</u>	<u>Requirements</u>	<u>Cost</u>
100	Ad Ast III	\$24,450
200	Support Costs	2,000
300	" "	3,000
400	" "	200
500	" "	600
<u>Total</u>		<u>\$30,250</u>

3. The litter patrol must patrol a number of public areas in the State. Through conversations with the Department of Natural Resources, it has been established that the following "park" areas exist in State:

50 waysides ranging in size from 5-300 acres

4 historic sites ranging in size from 2 acres - 50 acres

- 2 trail systems (Juneau and Iditarod)
- 4 Recreation Areas of up to 22,000 acres
- 4 State Parks of up to 300,000 acres
- 1 State wilderness of 495,000 acres

It may be possible to cover many of these areas by establishing a litter patrol position at each of the major areas, a few roving patrolmen to cover the minor areas augmented by existing Public Safety, Fish and Game, and Natural Resource personnel as called for in section 18.32.080. Therefore, adequate coverage might be obtained with the following mix of new litter patrol positions.

<u>Area to be Covered</u>	<u>Full Time</u>	<u>Seasonal</u>
50 waysides	2	2
4 historic sites	0	1
2 trail systems	2	2
4 recreation areas	2	1
4 State Parks	4	4
1 State Wilderness	1	1
<u>Total</u>	<u>11</u>	<u>11</u>

If this assumption is correct and assuming the salary range to be range 14 the budget requirements for the litter patrol become:

<u>Object Code</u>	<u>Requirements</u>	<u>Cost</u>
100	11 permanent positions	\$232,155
100	11 seasonal 4 mo. positions	77,385
200	travel costs	33,000 est.
300	support costs	55,000 est.
400	uniforms, etc.	33,000 est.
500	cars, boats, snow mobiles	66,000 est
<u>Total</u>		<u>\$496,540</u>

The definition of public places is unclear. However, assuming that the Federal Government and local municipalities will eventually assume responsibility within their jurisdictions, it may be possible to patrol "public places" with the positions established above. Until such time as experience and a better definition indicate otherwise, no costs are attributed to litter patrol in "other public places."

4. The Department must design and "provide" litter receptacles. It can only be assumed that for the State owned and public places, these will be provided by the Department at no cost to the user agency. Based on the 1,500,000 acres under the categories in paragraph 3 above and assuming that the smaller areas require about one container per every 20 acres and the larger areas about one container per 1,000 acres, the requirement for litter containers becomes:
 - a. 54 smaller areas (est. at 75 acres average) with 1 container/20 acres = 203 containers
 - b. 11 larger areas (remainder of acreage) with 1 container/1,000 acres = 1,500 containers

Total container requirements = 1700 + containers

Assuming that about 10% will be the dumpster type containers at boat docks, beaches, etc., served by road systems, the containers required are:

170 Dumpsters at \$400.00	=	\$68,000
<u>1530 Trash barrels at \$35.00</u>	=	<u>\$53,550</u>
Cost of all containers		\$121,500

The design cost and distribution costs are included in the above estimate. It has been assumed that the private land owner of public access areas will pay for their own litter receptacles.

- The Department must obtain and distribute litter bags. Based on previous experience in this area and assuming about 200,000 litter bags will be distributed for the purposes of this bill and to assist in municipal clean-up campaigns, the costs associated with this requirement become

$$200,000 \text{ bags at } \$2,000/100,000 = \$4,000$$

The distribution costs can probably be absorbed within the existing budget.

- The ancillary duties assigned by Article 2 of the bill can probably be absorbed by existing staff and budget.
- It must be pointed out that in arriving at the fiscal impact of Article 2, if any of the assumptions above are in error the budget must be adjusted accordingly. However, based on the above analysis, costs for the litter Patrol program are:

Total Cost	-	\$652,290
Estimated Revenue	-	300,000
General Fund Requirements	-	352,290
Department of Revenue Costs	-	unknown

Article 1 of the subject bill establishes the types of beverage containers to be used in State, places a 10¢ deposit value on each container, establishes a redemption center system and a refund value revolving fund, and requires several reports from the Department.

The following impacts on the Department's budget are apparent.

- The 10¢ deposit collected on each beverage container by distributors is turned over to the State and subsequently turned back to the consumer upon return of the container to recycling centers. This activity will require one accountant or accounting technician and an accounting clerk. Costs to support these positions are:

<u>Object code</u>	<u>Requirement</u>	<u>Costs</u>
100	Accountant & Clerk	\$39,570
200	Support Costs	1,000
300	" "	5,000

400	"	"	500
500	"	"	2,000
<u>Total</u>			<u>\$48,070</u>

2. The State must provide redemption centers at locations served by road or ferry system. While this may be done contractually, it may be necessary to establish a few State operated centers initially to demonstrate the feasibility of the recycling effort. If successful, these centers might be replaced by private centers operating to make a profit. Assuming that the State would establish centers in a number of communities, the communities, the population, the number of centers, employees required, estimated number of containers handled and the estimated square foot of floor space for the centers is contained in attachment III. A summary of these costs is contained below:

<u>Object Code</u>	<u>Requirements</u>	<u>Cost</u>
100	31 range 14 employees schedule C	\$654,255
100	31.5 half time employees schedule D	\$357,446
200	Travel costs at \$1,000 per center	26,000
300	68,200 sq. ft. of warehouse at .50/sq.ft.	409,200
300	Other support costs \$5,000/center	130,000
400	Commodities at \$1,000/center	26,000
500	Three large mobile can shredders at \$60,000 each on a truck	180,000
500	Miscellaneous bailing and handling equipment at \$5,000/center	130,000
	<u>Total of Recycling Centers</u>	<u>\$1,912,901</u>

3. To supervise an operation the extent of the recycling system would probably require one supervisor in each of the major regional offices of the State. Assuming a range 19 employee, the supervisory costs become:

<u>Object Code</u>	<u>Requirements</u>	<u>Cost</u>
100	3 range 19 supervisors	\$94,905
200	Travel at 6,000 each	18,000
300	Support costs at 5,000 each	15,000
400	Support Costs	600
500	Support Costs	3,000
<u>Total</u>		<u>\$131,505</u>

4. The bill calls for reports to the Legislature on the economic impact of the bill, problems and effectiveness of the bill, and costs incurred in enforcement.
- a. The report on the economic impact of the bill, costs and the problems incurred in the distribution, sale, and return of beverage containers is estimated to require about one person-year of a professional person as follows:

<u>Object Code</u>	<u>Requirements</u>	<u>Cost</u>
100	12 person-months @ Range 19	\$30,510
200	Travel Costs	3,000
300	Contractual Support Costs	5,000
400	Commodities	400
500	Office Equipment	500
<u>Total</u>		<u>\$39,410</u>

- b. The bill also calls for a report on its effectiveness in reducing the incidence of littering of beverage containers in the State. This implies statewide inventories, development of a monitoring scheme, etc. This is also estimated to require one person-year of effort as follows:

<u>Object Code</u>	<u>Requirements</u>	<u>Cost</u>
100	12 person-months @ Range 19	\$30,510
200	Travel Costs	6,000
300	Contractual Support Costs	5,000
400	Commodities	200
500	Office Equipment	500
<u>Total</u>		<u>\$42,210</u>

Offsetting the above costs of the recycling program are three sources of revenue:

1. The collection of 10¢ on each of the 216,121,000 containers in areas where recycling are established will result in the annual pass through of \$21,612,100 to the State. Investment of only half these funds at 6% yield a \$648,363 profit annually.
2. If the program is 90% successful, there will be 10% of the containers lost from the recycling system which results in 10% or \$2,161,210.
3. Aluminum cans yield between 15 and 25¢/pound in Seattle. Steel or bimetal cans bring nothing. Assuming the State, through regulation, or private industry through the profit motive, virtually eliminates bimetal cans in Alaska, almost all of the two-thirds of the non-bottle containers will be aluminum cans, at 23 cans per pound:

142,639,000 aluminum cans divided by 23 cans per pound give 6,201,696 lbs. of aluminum per year to be recycled. The value of shredded aluminum is about 15¢ per pound in Seattle (sometimes more). The shipping costs are about \$1.50 per 100 pounds in large lots. Therefore:

6,201,696 lbs. X .15/16 =	\$930,254
less shipping costs	- <u>93,025</u>
Net profit delivered	\$837,229

Therefore, assuming maximum State involvement, maximum costs and minimum return from the recycling program, this portion of the bill would yield a net profit to the State of:

Costs	-\$2,174,096
Profit	<u>+\$3,646,802</u>
Net Profit	\$1,472,706

Naturally as the proportion of steel or bimetal cans in the system increase, the profit from the system decreases. Also, as the proportion of containers for which a deposit is not paid in the remote areas, are backhauled and injected into the recycling system increases, the profit is reduced. It may also develop that audits are required to regulate the system. However, no audit costs have been included herein. Finally the costs to the Department of Revenue on handling and investing the deposit monies have not been included.

April 27, 1977

Senator Jalmar M. Kerttula
Co-Chairman
Senate State Affairs Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Kerttula:

We are responding to a request for an estimate of revenues which could result from enactment of SB 296 relating to litter control. We estimate that a maximum income of \$650,000 could be received for fiscal year 1978.

Assumptions are based upon an analysis of Gross Receipts tax data augmented by base percentages and projected at one twentieth of one percent. The worksheet is attached.

Sincerely,

[Signature]
John Messenger
Deputy Commissioner

JM:cb

Attachment

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1977
315577
1977
315000

MEMORANDUM

State of Alaska

TO: Ernst W. Mueller
Commissioner

DATE: April 27, 1977

Dale Wallington
Director

FILE NO:

TELEPHONE NO:

FROM: Richard A. Stokes *RS*
Supervisor
Land Use Protection

SUBJECT: Reflections on an Alaska
Model Litter Act—SB 296

You asked (1) How much revenue was generated by the State of Washington Model Litter Control Act?, (2) How the Washington Department of Ecology budgets their implementation of the Act? and (3) How much revenue would be expected in Alaska if SB 296 is passed into law. This memo attempts to answer your questions.

The State of Washington assesses a tax of 0.015% on the gross proceeds of sales of products falling into the following categories:

- (1) Food for human or pet consumption.
- (2) Groceries.
- (3) Cigarettes and tobacco products.
- (4) Soft drinks and carbonated waters.
- (5) Beer and other malt beverages.
- (6) Wine.
- (7) Newspapers and magazines.
- (8) Household paper and paper products.
- (9) Glass containers.
- (10) Metal containers.
- (11) Plastic or fiber containers made of synthetic material.
- (12) Cleaning agents and toiletries.
- (13) Non-drug drugstore sundry products.

These categories are essentially the same as called for in SB 296 except that "Groceries" are omitted from SB 296.

On 4-21-77 and again on 4-25-77 I talked with Sally Hicks of the Washington Department of Ecology. She gave me the following figures for revenues generated by the assessments in Washington State:

Fiscal Year	Revenues
1972	\$385,000
1973	669,501
1974	700,000
1975	740,000
1976	800,000
1977	805,000

Some of these figures are estimates made by Washington's Department of Revenue but are, according to Ms. Hicks, close to accurate. These revenues go into a special fund which is budgeted by the Department of Ecology as follows:

Percent of Revenue	Item
25%	Salaries for 12 full-time employees located in a central and four regional offices.
5%	Fringe Benefits for employees
35%	Grants and loans to local government. These grants fund youth clean-up and enforcement programs (most local governments hire a full-time litter control officer).
30%	Goods and services. This includes costs for clean-up bags, litter bags, T.V. and radio spots, awards and a audio-visual educational program for elementary schools (5 tape cartridges of 1 hr. each which is loaned to a school for a week's use).
5%	???

Ms. Hicks was enthusiastic about their programs. She said litter was down by 66% according to their latest survey. She said this survey was made using the same methodology used by the consulting firm who did their first survey, the one which reported a reduction of 60%.

To estimate the revenues likely to be generated in Alaska by if SB 296 becomes law I used three methods.

Method 1. Extrapolate from the reported reported in Washington State the difference between populations of Alaska and Washington and the increased cost of living in Alaska.

According to "The Alaskan Economy—Year End Performance Report 1976," published by the Alaska Department of Commerce and Economic Development, Alaska's population in 1975 was 411,800. Washington's population, according to Ms. Sally Hicks of Washington's Department of Ecology was 3,571,591 in 1974. And according to Ms. Margorie Hall, Cooperative Extension Service Home Economist, Juneau office, the Dec. 1976 Food Basket Surveys showed food in Anchorage to be 125% more expensive than the same items in Seattle. Using these figures and the revenues generated by the Washington law in 1977 and finally correctly for the difference in assessment rates (0.015% in Washington versus 0.05% in Alaska, we obtain the following

$$\$806,000 \left(\frac{411,800}{3,571,591} \right) \left(\frac{0.05}{.015} \right) = \$309,769$$

Method 2. According to the "Consumer Expenditure Survey Series: Interview Survey, 1972 and 1973", Report 455-2, U.S. Department of Labor, Bureau of Labor Statistics, a family with a income of greater than \$25,000 a year would expend about 9.4% of their income (before taxes) on food at

April 27, 1977

home and about 0.4% on tobacco. The remainder of their categories are not easily identified as being litterable items.

If we use the sum of these numbers, 9.8%, and the reported value of \$3,324,000,000 for the total personal income in Alaska by source (The Alaskan Economy--Year-End Performance Report 1976 by the Alaska Department of Commerce and Economic Development) we arrive at the following:

$$\$3,324,000,000 (0.098) (0.0005) = 162,876$$

And if we assume the assessment will be applied at both the wholesale and resale level we obtain:

$$\$162,876 (2) = 325,752$$

Method 3. As of Jan. 1, 1970 there were 66,670 families in Alaska and their median annual income was \$12,441 (Source: U.S. Dept. of Commerce, Bureau of the Census, Income Statistics, Current Surveys. Gordon Green's office 301-763-5060). A special survey is now being done to update this to Jan. 1, 1975. The results of this are not yet available.

Alaska's population increased from 308,702 in 1970 to 411,800 in 1975 according to "The Alaskan Economy--Year-End Performance Report 1976", published by the Alaska Department of Commerce and Economic Development. This is an increase of 30.1%. If we assume that the number of families is directly proportional to the population we can estimate the number of families in Alaska in 1975 as $66,670 + 0.301 (66,670) = 86,738$. According to the reference above (The Alaskan Economy) personal income in Alaska (by place of residence) has increased from \$1412 million in 1970 to \$3,324 million in 1975, an increase of about 135%. This indicates (doesn't it?) that family income may have risen to approximately $\$12,441 + 1.35 (\$12,441) = \$29,236$.

Using this rationale (and this may strain the definition) and the value of 9.8% for the percentage of a person's income applied to the purchase of litterable goods we arrive at the following:

$$(86,738) (\$29,236) (0.098) (0.0005) = \$124,258$$

If we assume further that the assessment is applied at both the wholesale and retail level we obtain

$$(124,258) (2) = \$248,516$$

Summary. The average of the three values was calculated as follows:

$$\frac{\$309,769 + 325,752 + 248,516}{3} = \$294,679$$

The above value is probably as "real" a number as I can obtain. Obviously some of my assumptions can be challenged but it would be interesting to know what assumptions were used in the \$625,000 projected by the Industry Environmental Council of Alaska in the full-page ad they published in the S.E. Alaska Empire on 4-22-77.

ATTACHMENT III

Community	Population	Annual # of Containers (750 X Population)	Square of Space at Center				Number of Centers	Employees
			Bottles	Cans	Recep. & Admin.	Total		
Anchorage	175,697	131,775,000	28,597	9532	1250	39,382	5	8
Fairbanks	50,029	37,575,000	8,154	2718	500	11,372	2	3
Juneau	16,458	12,375,000	2,686	895	250	3,831	1	1.5
Ketchikan	10,379	7,800,000	1,692	564	250	2,506	1	1.5
Valdez	6,670	4,950,000	1,074	358	250	1,682	1	1.5
Kenai	5,161	3,900,000	846	282	250	1,378	1	1.5
Sitka	6,109	4,575,000	992	330	250	1,572	1	1.5
Cordova	2,114	1,575,000	342	113	150	605	1	1
Petersburg	2,311	1,733,000	376	125	150	651	1	1
Wrangell	2,029	1,575,000	342	113	150	605	1	1
Seward	1,823	1,350,000	292	97	150	539	1	1
Soldotna	1,800	1,350,000	292	97	150	539	1	1
Palmer	1,519	1,162,000	252	84	150	486	1	1
Haines	1,093	825,000	179	60	100	339	1	1
Skagway	675	506,250	109	37	100	246	1	.5
Delta Junction	892	669,000	100	30	100	230	1	.5
Wasilla	747	566,250	100	30	100	230	1	.5
Anderson	463	347,250	100	30	100	230	1	.5
North Pole	461	345,750	100	30	100	230	1	.5
Nenana	416	312,000	100	30	100	230	1	.5
Eagle	172	129,000	100	30	100	230	1	.5
Houston	170	127,500	100	30	100	230	1	.5
Willow	38	28,500	100	30	-0-	130	1	.5
Talkeetna	182	136,500	100	30	100	230	1	.5
Tok	214	160,500	100	30	100	230	1	.5
Glenallen	363	272,250	100	30	100	230	1	.5
26 Centers	288,015	216,121,000	---	---	---	68,163 sq.ft.	31	31.5

*To arrive at warehouse space requirements it was assumed that only one months storage would be provided for and that 1/3 of the storage requirements would be bottles. Also, in the 1 1/2 square foot required for a case, the cases could be stacked 6 high (each stack containing 192 Bottles) the formula is then:

Number of containers divided by 12 divided by 3 divided by 192 X 1.5 sq. feet = bottle storage. Can storage was assumed to be 9 to 10 times more efficient than bottles therefore bottle storage requirements divided by 3 = can storage requirements.

Administrative and Support space was arrived at judgementally.

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH 0 - JUNEAU 99811

February 28, 1978

415 171

J. Hammond

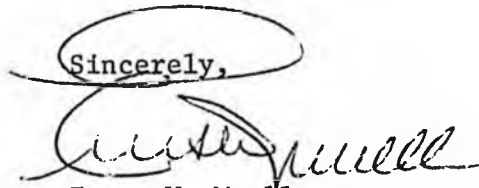
The Honorable John C. Sackett
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

Last spring in response to a request from the House Commerce Committee we prepared an analysis of costs involved in shipping empty beverage containers (bottles and aluminum cans) from various points within Alaska to markets in Seattle.

We have recently completed an update of this analysis and it is enclosed for review and utilization by your committee. If you have questions do not hesitate to call on us.

Sincerely,



Ernst W. Mueller
Commissioner

Enclosure

cc: The Honorable Mike Miller
House of Representatives, w/enclosures

Beverage Container Backhaul

DEC/February 1978

[A] Type of Container	[B] Zone	[C] % of State's Population	[D] No. of Containers Projected	Shipping Cost to Seattle		Value in Seattle		Value in Seattle minus Shipping Cost	
				[E] Total	[F] Unit	[G] Total	[H] Unit	[I] Total Net	[J] Unit Net
Bottles	Anchorage	44%	99,880,000	\$ 609,268	\$0.0061	\$1,667,996	\$0.0167	\$1,058,728	\$0.0106
Cans (Alum.)				52,980	0.0005	739,112	0.0074	686,132	0.0069
Bottles	Fairbanks	15%	34,050,000	234,945	0.0069	568,635	0.0167	333,690	0.0098
Cans (Alum.)				20,430	0.0006	251,970	0.0074	231,540	0.0068
Bottles	S.E. Alaska	12%	27,240,000	532,542	0.0195	454,908	0.0167	(-) 77,634	(-)0.0028
Cans (Alum.)				19,660	0.0007	201,576	0.0074	181,916	0.0067
Bottles	On road or ferry system but outside above urban areas	14%	31,780,000	988,358	0.0311	530,726	0.0167	(-)457,632	(-)0.0144
Cans (Alum.)				85,944	0.0027	235,172	0.0074	149,228	0.0047
Bottles	Roadless Areas (Bush)	15%	34,050,000	1,021,500	0.030	568,635	0.0167	(-)452,865	(-)0.0133
Cans (Alum.)				57,885	0.0017	251,970	0.0074	194,085	0.0057
			227,000,000					\$ 404,287 (bottles)	\$1,442,901 (alum. cans)

Note: All values are calculated on the assumption that either refillable bottles or all-aluminum cans are used. Therefore the value of 99,880,000 in column [D] means that number of bottles would be emptied in the Anchorage area if all beverages arrived in bottles.

Explanation of Beverage Container Backhaul Chart

Column [A]: This analysis only considered all-aluminum cans and refillable glass bottles. For the glass bottle a 12 fl. oz. beer bottle was used in most calculations.

Column [B]: The state was sub-divided into five zones. The Anchorage area is one zone; the Fairbanks area another. Both urban and rural areas in S.E. Alaska are included in one zone because of reported similiar freight rates. Communities such as Homer, Valdez, Palmer, Delta, and Soldotna are included in a zone for communities connected to Anchorage or Fairbanks by the road or ferry system. This zone excludes Anchorage, Fairbanks, and all of S.E. Alaska. The remaining zone includes communities not connected to Anchorage or Fairbanks by the road or ferry system.

Column [C]: These values were estimated using population figures reported by the Department of Community and Regional Affairs for 1977.

Column [D]: Since we have no figures indicating respective proportions of cans and bottles constituting total number of containers, the analysis is carried through separately for each type of container. The Alaska Department of Revenue recorded 9,242,604 taxable gallons of beer entering the state in FY 77. This excludes approximately 5% to the military and a minor amount lost to breakage. The above figure is equivlent to 98,587,769 12 oz. beer bottles and cans brought into Alaska in FY 77. To estimate the number of soft drink containers, figures from the 1972 National Soft Drink Association and the 1973 Brewers Almanac (In Oregon Bottle Bill: "A Riproaring Success" by Savage & Richmond, 1974, pp. 5,6) were used. These figures indicate approximately 30% greater volume of soft drinks than beer is consumed nationwide. Applying this to Alaska, approximately 128,000,000 containers of soft drink are calculated to have entered the state in FY 77. Remember, this is based on the assumption that this total gallonage is sold in 12 fl. oz. containers. Adding these two figures we arrive at a total estimation of 227,000,000 beverage containers sold in Alaska during FY 77.

Using this figure of 227,000,000 and assuming that consumption of beverages is directly proportional to population, we obtained the values in Column [D] by multiplying 227,000,000 by the percentage of total population within each of the five geographic zones.

Columns [E] and [F]: The shipping rates for each of the five areas of the state are based on figures obtained from barge and trucking companies in January and February 1978.

Anchorage: Sea-Land would ship full truck loads of empty bottles to Seattle for \$1.22/100#. They stated aluminum scrap would be similar.

Fairbanks: Sea-Land would ship full truck loads of empty bottles to Seattle for \$1.38/100#. Aluminum scrap would be similar.

Juneau and other SE communities: Foss Alaska Line on 1-30-78 quotes \$1.66/100 from Juneau for lots of greater than 16,000# of recyclable bottles, and \$3.91/100 for aluminum. They said rates from other S.E.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

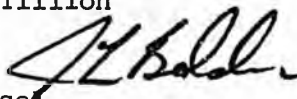
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 25, 1978

SUBJECT: SCS for CSHB 171 am (Bottle Bill)

TO: Senator Clem V. Tillion

FROM: James L. Baldwin 
Legislative Counsel

Please find enclosed a version of HB 171 which was redrafted according to your instructions. You will also find attached an alternate version of a section contained in that draft. The alternate is proposed in anticipation of possible objections that may be raised by distributors to the plan for designating container collection services in AS 18.32.050 (contained in sec. 1 of the Act and appearing on page 4, line 24). The existing section 65 was drafted when no one expected the distributors to gladly undertake the collection of empty beverage containers. Now, if the figures you mentioned to me are correct, the collection and disposition of the empty beverage containers could be a financially rewarding business and the distributors may want to be a part of it. The alternate section presented parallels the Alaska Administrative Procedure Act (APA) (AS 44.62) and incorporates the procedures and notice requirements contained in that Act. By adhering to the APA, the department can obtain public input and avoid possible claims of arbitrariness or favoritism. I also feel that section 65 as it appears in the bill could be improved upon and that the alternate is a better way of saying basically the same thing. I realize that political considerations may make a redraft of that section impractical at this time.

You may also wish to consider an alternate plan which would permit container collection services but on a non-exclusive basis, that is, both distributors and container collection services could collect from dealers but a container collection service would deliver empties to the appropriate distributor. It could also be provided that if a container collection service is engaged in general clean-up collection of empties from public areas, it would be entitled to receive unclaimed refunds held by distributors. The aforementioned scheme has not been presented in draft form but only mentioned so that you may evaluate possible compromise approaches that may be indicated by updated profitability forecasts for the recycling business in Alaska.

JLB:hjd:jpd

Enclosure

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate CS for CS for House Bill No. 171
 Title An Act relating to litter control
 Requested by Senate Finance Committee Date 5/24/77

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected Fiscal Services
 Budget Request Unit(s) Affected Audit Division

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300 CONTRACTUAL		7.5	7.5	7.5	7.5	7.5
400 COMMODITIES		1.2	1.2	1.2	1.2	1.2
500 EQUIPMENT		1.8	.2	.2	.2	.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		82.1	75.5	75.5	75.5	75.5

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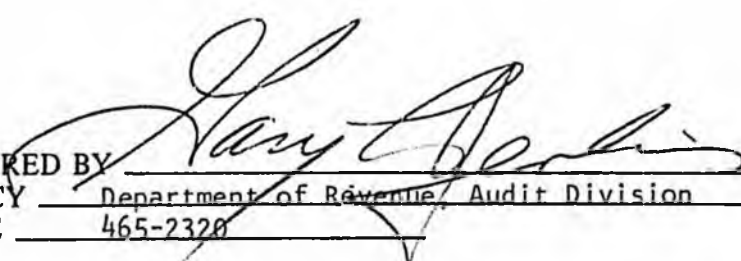
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FEDERAL FUNDS						
OTHER (Specify)						

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FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memo to J. R. Messenger dated 5/24/77.

IV. DATE 5/24/77 PREPARED BY 
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Explanation of Beverage Container Backhaul Chart

Column [A]: This analysis only considered all-aluminum cans and refillable glass bottles. For the glass bottle a 12 fl. oz. beer bottle was used in most calculations.

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communities would be similiar.

Communities served by road or ferry in northern Alaska: Weaver Brothers Trucking quoted various figures for each community to Anchorage or Fairbanks. A general average of \$5.00/100# over 5,000 lbs., was assigned to these communities and added to the Anchorage figure of \$1.22/100# (Anch.-Seattle) to obtain an average shipping cost from these communities to Seattle of \$6.22/100#. This figure was used for both bottles and aluminum cans, and does not include loading, handling, and unloading in Anchorage.

Bush communities: Foss Alaska Line on 1-30-78 quotes backhaul rates from Bethel and Nome to Seattle near \$3.50/100# for aluminum and \$6.00/100# for bottles. Smaller communities would require additional literage charges from these ports which vary greatly with the community. Crowley Maritime on 2-17-78 quotes backhaul rates to Seattle from Barrow, Dillingham, Kotzebue, and Mountain Village near \$4.00/100# for aluminum in full van containers. Rates would be approximately 60% higher for partial loads.

Some communities would be much higher than these quotes, but the average may fall near \$4.00/100# for a large load without handling or wharfage charges.

These average backhaul rates for each area of the state were then reduced to a "per container" rate. For returnable beer bottles a commonly quoted weight of 8 oz. per bottle, or two per pound, was used. It takes 23 aluminum cans to make one pound.

$$\text{Unit backhaul rate for bottles} = \frac{\text{Shipping rate per 100 pounds}}{2 \text{ bottles per lb.} \times 100 \text{ pounds}}$$

$$\text{Unit backhaul rate for alum. cans} = \frac{\text{Shipping rate per 100 pounds}}{23 \text{ cans per lb.} \times 100 \text{ pounds}}$$

Column [H]: Unit prices for empty bottles are based on a current value of \$0.40 per case of 24 11 oz. "stubbies", whereas unit prices for empty cans are based on a salvage value of \$0.17/lb. according to Washington State Department of Ecology (2-1-78). Aluminum can prices can vary from \$.15 to \$.20/lb.

Column [G]: These values were obtained by multiplying the number of containers projected for an area by the unit value.

Columns [I] and [J]: These values were obtained by subtracting the cost of shipping empties to Seattle from their worth once there. A minus sign denotes a net loss, i.e., the cost of shipping exceeds value.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

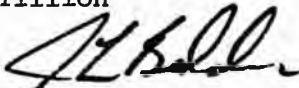
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 25, 1978

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TO: Senator Clem V. Tillion

FROM: James L. Baldwin 
Legislative Counsel

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JLB:hjd:jpd

Enclosure

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate CS for CS for House Bill No. 171
 Title An Act relating to litter control
 Requested by Senate Finance Committee Date 5/24/77

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 Budget Request Unit(s) Affected Audit Division

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500 EQUIPMENT		1.8	.2	.2	.2	.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		82.1	75.5	75.5	75.5	75.5

FUNDING (Thousands of Dollars)

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GENERAL FUND		82.1	75.5	75.5	75.5	75.5
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memo to J. R. Messenger dated 5/24/77.

IV. DATE 5/24/77 PREPARED BY *Harry Berlin*
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE
of ALASKA

MEMORANDUM

TO: John R. Messenger
Deputy Commissioner
Department of Revenue

DATE : May 24, 1977

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: SCS CS HB 171

Among other things, the referenced bill would levy a litter control tax on all manufacturers, wholesalers, and retailers engaging in the sale of certain specific enumerated products in the State of Alaska. The proposed tax would be a gross receipts tax at the rate of 1/20 of 1 percent on the gross receipts from the sale of the specified items.

By levying the tax on just certain items sold within the State, it would appear that this could create rather severe accounting problems for businesses involved in selling a wide variety of products, with part of their sales taxable and part nontaxable.

It should be noted that the way the bill is drafted, the litter control tax would be levied on over the counter sales of beer and wine by bars and restaurants when the beverages are consumed on the premises. It would not tax the sales of hard liquor sold under similar circumstances. If it is the intent of the bill to tax all liquor sales in bars and restaurants, then a provision should be made for taxing hard liquor sales. If the intent is to exclude sales in bars and restaurants where they are consumed on the premises, then such an exclusion should be provided in the law.

From an administration point of view, the litter control tax portion of the bill would require three staff members. One position would be a Tax Examiner to handle the in house process of returns while the other two positions would be Revenue Auditors to conduct the necessary audits of returns on an ongoing basis.



TELEPHONE (305) 847-3111
KISSIMMEE TELEX 56-4471
TWX 810-869-1590

December 19, 1977

Honorable John Sackett, Chairman
Senate Finance Committee
Alaska State Senate
State Capitol
Juneau, Alaska 99801

Re: House Bill 171--An Act Relating to
Litter Control

Dear Chairman Sackett:

I am writing on behalf of Tupperware Home Parties to express our concern with the assessment section of House Bill 171. Realizing the problems and concerns that the State of Alaska and its citizens have with the problem of litter control and solid waste disposal, Tupperware supports the legislature's efforts to control waste and maintain natural resources. However, the provisions of the bill enumerating items subject to assessment appear to be unfair, inappropriate and inconsistent with the legislature's intent to control Alaska's waste and litter.

Tupperware manufactures high-quality plastic products, including products used in the preparation, storage and serving of food. The high quality of Tupperware products permits their repeated use by homemakers over an extended period of time. Tupperware products are distributed by independent representatives who demonstrate our products at parties held in consumers' homes and are ordinarily not available in retail stores.

Honorable John Sackett

- December 19, 1977

Page 2

Although it seems to be the legislature's intent to tax the gross receipts of only those products which contribute to the litter stream, the categories of products listed in §43.71.010(b) of this bill are so broad that they include not only many of Tupperware's products but also other items which are used for long periods of time and do not increase the litter in Alaska. In order to exclude Tupperware and similar products which should not be the subject of a litter tax, we would suggest the following amendments:

1. Combine subsections 43.71.010(b)(8), (9) and (10) as new subsection 43.71.010(b)(8) as follows:

(8) glass [containers or any product sold in glass containers], metal or plastic containers, fiber containers made of synthetic material, but not including any container which is customarily used on a repeated basis, and which has a useful life of at least one year and which is empty when sold at retail.

2. Add new subsection 43.71.010(b)(9).

(9) any product sold in containers subject to a tax because of this section.

[] denotes deleted language

___ denotes new language

As can be seen, the approach taken in the suggested amendments is to carefully distinguish products which are used either on a short-term basis, or primarily for packaging from nondisposable products, such as products manufactured by Tupperware which are intended to serve the homemaker on an indefinite basis. Obviously, a litter assessment would be appropriate only with respect to the disposable type of container.

Thus, these proposed amendments would exempt Tupperware from the litter tax assessment while not excluding those items which can be classified as "litter" or contribute

Honorable John Sackett

December 19, 1977

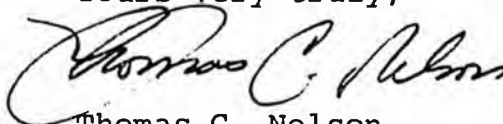
Page 3

significantly to waste disposal. While our proposed amendments would also exempt other types of containers, we believe that this is consistent with the litter control intent of the bill. Our main concern is that Tupperware products such as bowls, salt and pepper shakers, pitchers and storage or serving containers not be unfairly taxed. In addition, if the amendments we propose are adopted, other products intended for long-term usage, such as metal cookware and crystal and silver containers, would also be excluded from the assessment proposed in House Bill 171.

Similar language to the amendments we propose was included in Part 19 of the recently enacted California Litter Control, Recycling, and Resource Recovery Act of 1977.

We encourage your support of these amendments. If you have any further questions, or if I can be of any assistance concerning this matter, please do not hesitate to contact me at (213) 658-2361, or Kathleen Dantzer at (213) 658-2655.

Yours very truly,



Thomas C. Nelson
Associate Counsel

TCN/pb

June 17, 1977

Ms. Sandy Kogl, Secretary
Board of Directors
Denali Citizen's Council
P. O. Box 39
McKinley Park, Alaska 99755

Dear Ms. Kogl:

Thank you for your letter concerning HB 171, the
"Bottle Bill".

As you know, the close of the session came with-
out final action on this bill. It is now in the Senate
Finance Committee and we will be studying the bill in
its various forms during the interim.

Again, thank you for your interest.

Sincerely,

John C. Sackett

JCS:pw

DENALI CITIZEN'S COUNCIL

P.O. Box 39

McKinley Park, Alaska 99755

*Thank her & say
we're looking fwd
during the interim*

April 21, 1977

The Honorable John Sackett
Chairman, Senate Finance Committee
Pouch V, Mail Stop #3100
Juneau, Alaska 99811

Dear Senator Sackett:

The Denali Citizens Council Board members wish to express our support for HB 171, the "Bottle Bill".

We feel this legislation will stimulate much needed action toward reducing litter, environmental pollution and waste of nonrenewable resources.

Sincerely,



Sandy Kogl
Secretary
DCC Board of Directors

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

STATE OFFICE BUILDING

POUGH SA - JUNEAU 99811

May 24, 1977

The Honorable John C. Sackett
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Re: Senate CS for CS for House Bill No. 171

Dear Senator Sackett:

Senate CS for CS for House Bill No. 171, an Act relating to litter control, was referred on May 23, 1977 by the Senate State Affairs Committee to the Senate Finance Committee.

For the consideration of the Senate Finance Committee, I am enclosing a Fiscal Note prepared by Mr. Gary L. Jenkins, Director, Audit Division, Department of Revenue, Juneau concerning that portion of the proposed legislation providing for a Litter Control Tax to be collected by the Department of Revenue.

Very truly yours,



R. D. Stevenson
Special Assistant

Enclosure

cc: Gary L. Jenkins, Director
Audit Division
Department of Revenue
Juneau, Alaska

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

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It should be noted that the way the bill is drafted, the litter control tax would be levied on over the counter sales of beer and wine by bars and restaurants when the beverages are consumed on the premises. It would not tax the sales of hard liquor sold under similar circumstances. If it is the intent of the bill to tax all liquor sales in bars and restaurants, then a provision should be made for taxing hard liquor sales. If the intent is to exclude sales in bars and restaurants where they are consumed on the premises, then such an exclusion should be provided in the law.

From an administration point of view, the litter control tax portion of the bill would require three staff members. One position would be a Tax Examiner to handle the in house process of returns while the other two positions would be Revenue Auditors to conduct the necessary audits of returns on an ongoing basis.

Original sponsors: Miller, Akers,
Gruening, et al

Offered: 5/23/77
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL 171

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to litter control; and providing for
7 an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. It is the intent of this Act to avoid the waste of nonre-
10 newable resources, to decrease litter in Alaska, to provide jobs for Alaskans
11 in those business concerns recycling beverage containers, and to avoid the
12 increasing pollution of our environment by requiring the sale of refundable,
13 reusable, biodegradable beverage containers and by authorizing redemption
14 centers for the convenient return of the containers, and to accomplish litter
15 control throughout the state by delegating to a single state agency with
16 effective enforcement power the authority to conduct a permanent and con-
17 tinuous program to control and remove litter from the state to the maximum
18 extent possible. Other departments of the state and all local governmental
19 units and agencies of the state shall cooperate with the Department of
20 Environmental Conservation in the administration and enforcement of the
21 provisions of this Act. The legislative intent is to add to and to coordi-
22 nate existing litter control and reclamation efforts.

23 * Sec. 2. AS 18 is amended by adding a new chapter to read:

24 CHAPTER 32. LITTER CONTROL.

25 ARTICLE 1. RETURNABLE BEVERAGE CONTAINERS.

26 Sec. 18.32.010. REFUND VALUE REQUIREMENTS OF BEVERAGE CONTAINERS.

27 (a) Every beverage container sold or offered for sale in this state
28 shall have a refund value of not less than 10 cents.

29 (b) The refund value as established by (a) of this section and

1 payable under sec. 30 of this chapter shall be included in the price of
2 a beverage, however, the dealer or distributor may claim the refund
3 value as a deduction from gross receipts taxable under AS 43.71.

4 Sec. 18.32.020. REDEMPTION CENTER OR DISTRIBUTOR REFUSAL TO ACCEPT
5 PROHIBITED. (a) Except as provided in secs. 30 and 50 of this chapter,
6 no redemption center may refuse to accept from a person an empty bev-
7 erage container which states on it the refund value as established by
8 sec. 10 of this chapter.

9 (b) Except as provided in secs. 30 and 60(c) of this chapter, no
10 distributor may refuse to accept from a redemption center an empty
11 beverage container or refuse to pay the department the refund value of a
12 beverage container established under sec. 10 of this chapter.

13 Sec. 18.32.030. REDEMPTION CENTER AND DISTRIBUTOR REFUSALS TO
14 ACCEPT CONTAINERS. (a) A redemption center may refuse to accept from a
15 person, and a distributor may refuse to accept from a redemption center,
16 an empty beverage container which does not state on it a refund value as
17 established by sec. 10 of this chapter.

18 (b) A redemption center or distributor may refuse to accept an
19 otherwise reusable beverage container which has been damaged in a manner
20 to preclude its reuse or which is in an unsanitary condition. The
21 department shall adopt regulations defining when a beverage container is
22 not reusable or is in an unsanitary condition.

23 (c) A distributor shall not collect the refund value of an empty
24 beverage container at the time of sale from a dealer located in an area
25 of the state which does not have access throughout the year to Anchorage
26 Ketchikan, Juneau, or Fairbanks by road, railroad or state mainline
27 ferry system.

28 Sec. 18.32.040. CONTAINER MARKING AND CONSTRUCTION. (a) No
29 beverage container may be sold or offered for sale in this state after

1 July 1, 1978 unless it is reusable, recyclable or biodegradable.

2 (b) Each beverage container sold or offered for sale in this state
3 by a dealer or distributor shall clearly indicate by embossing or by a
4 stamp, or by a label or other method securely affixed to the beverage
5 container, the refund value of the container.

6 (c) The requirement in (b) of this section does not apply to glass
7 beverage containers which were manufactured before the effective date of
8 this chapter and which have a brand name permanently marked on them, but
9 such containers shall have a refund value of not less than 10 cents.

10 (d) No person may sell or offer for sale in this state a non-glass
11 beverage container so designed and constructed that the container can be
12 opened by detaching a part of the container.

13 Sec. 18.32.050. REDEMPTION CENTERS. (a) The state shall provide
14 redemption centers. The state may do this through contractual arrange-
15 ment. The public may return empty beverage containers to a redemption
16 center and receive payment of the refund value for the beverage con-
17 tainers.

18 (b) Application for approval of a contractual redemption center
19 shall be filed with the department. The application shall state the
20 name and address of the person responsible for the establishment and
21 operation of the redemption center. The application shall include
22 additional information as the department requires.

23 (c) The department shall approve a contractual redemption center
24 if it finds the redemption center will provide a convenient service to
25 the public for the return of empty beverage containers. The department
26 may adopt regulations necessary to implement the purpose of this sec-
27 tion.

28 (d) The department may review the approval of a contractual re-
29 demption center at any time. After written notice to the person respon-

1 sible for the establishment and operation of the redemption center, the
2 department may, after hearing, withdraw approval of a contractual re-
3 demption center if the department finds there has not been compliance
4 with its order approving the redemption center, or if the redemption
5 center no longer provides a convenient service to the public.

6 (e) A distributor who sells beverages in Alaska shall monthly pay
7 to the department an amount equal to the refund value of all beverage
8 containers sold by that distributor. The department shall deposit the
9 amount received from each distributor in the refund value revolving
10 fund.

11 (f) The department shall adopt regulations establishing procedures
12 for approval or withdrawal of approval under this section.

13 Sec. 18.32.060. FUND ESTABLISHED. (a) There is established the
14 refund value revolving fund which shall be administered by the commis-
15 sioner of environmental conservation. The fund shall be used to pay the
16 refund value on beverage containers received by a redemption center
17 established under this chapter. The fund is composed of money paid to
18 the department under sec. 50(e) of this chapter.

19 (b) All surplus remaining in the fund at the end of a fiscal year
20 shall be paid into the general fund.

21 Sec. 18.32.070. PENALTY. A person who violates secs. 10 - 20 or
22 sec. 40 of this chapter, upon conviction, is punishable for a misde-
23 meanor.

24 ARTICLE 2. LITTER MANAGEMENT.

25 Sec. 18.32.080. LITTER PATROL. (a) The commissioner shall
26 establish and administer a state litter patrol to patrol the parks,
27 beaches, campgrounds, trailer parks, and other public places of the
28 state. The litter patrol shall consist of as many full-time patrolmen
29 in the classified service and additional part-time patrolmen as needed

1 to implement the provisions of secs. 80 - 140 of this chapter.

2 (b) In enforcing the provisions of secs. 80 - 140 of this chapter
3 the litter patrol shall be aided by all peace officers in the state as
4 well as fish and game enforcement officers and state park employees. The
5 persons named in this section have the authority to issue citations and
6 to arrest, without warrant, persons violating provisions of secs. 80 -
7 140 of this chapter or regulations adopted under this chapter. The
8 persons named in this section may serve and execute warrants, citations,
9 and other process issued by the courts of this state in enforcing the
10 provisions of secs. 80 - 140 of this chapter. Mailing by registered
11 mail to the last known address of the person sought to be issued a
12 warrant, citation or other process is personal service on the person
13 charged.

14 (c) The commissioner shall promulgate regulations under the Admin-
15 istrative Procedure Act (AS 44.62) necessary to carry out the provisions
16 of secs. 80 - 140 of this chapter.

17 Sec. 18.32.090. PROHIBITED ACTS. (a) A person may not throw,
18 drop, deposit, discard, or otherwise dispose of litter on public or
19 private property in the state or in waters in the state or under state
20 jurisdiction except

21 (1) when the property is designated by the state or an
22 agency or political subdivision of the state as property to be used for
23 the disposal of garbage or refuse and the person is authorized to use
24 the property for that purpose;

25 (2) into a litter receptacle so that the litter will be pre-
26 vented from being carried away or deposited by the elements upon public
27 or private property or waters in the state or under state jurisdiction.

28 (b) A person violating a provision of this section is guilty of a
29 misdemeanor and upon conviction is punishable by a fine of not more than

1 \$500, or by imprisonment for not more than 30 days, or by both. In the
2 discretion of the court issuing sentence under the provisions of this
3 section the court may require that the person found guilty of violating
4 a provision of this section engage, for a time designated and over an
5 area designated, in gathering and properly disposing of all litter in
6 the area designated by the court.

7 Sec. 18.32.100. NOTICE TO PUBLIC. The commissioner shall, by
8 posting pertinent provisions of secs. 80 - 140 of this chapter in appro-
9 priate places, make known the content and penalty provisions of secs.
10 80 - 140 of this chapter.

11 Sec. 18.32.110. LITTER RECEPTACLES. (a) The commissioner shall
12 design one or more types of litter receptacles which are uniform as to
13 size, shape, capacity and color for wide and extensive distribution
14 throughout the public places of the state. Each receptacle shall bear
15 an antilitter symbol or logo designated and adopted by the division, as
16 well as a statement of the penalties for littering. In addition, all
17 receptacles shall have heavy lids constructed of a suitable and durable
18 material which is so designed as to attract attention and encourage the
19 depositing of litter.

20 (b) Litter receptacles provided for in (a) of this section shall
21 be placed in all parks, campgrounds, trailer parks, drive-in restau-
22 rants, gasoline service stations, tavern parking lots, shopping centers
23 and parking lots of major industrial firms, marinas, boat launching
24 areas, boat moorage and fueling stations, public and private piers,
25 beaches and bathing areas, and other places in the state that the com-
26 missioner considers appropriate.

27 (c) A person operating a business of the type described in (b) of
28 this section, who fails to place the receptacles provided for in this
29 section in readily accessible areas and in the numbers required by the

1 commissioner is guilty of littering and is punishable in the same manner
2 as provided for in sec. 90 of this chapter.

3 Sec. 18.32.120. LITTER BAGS. The department shall design and
4 produce a litter bag bearing the state antilitter symbol or logo and a
5 statement of the penalties for littering in the state. The department
6 shall make available to the Department of Public Safety a number of
7 these bags so that each person upon renewing his motor vehicle regis-
8 tration may be given one along with his license plates. The division of
9 motor vehicles shall distribute one litter bag for each set of license
10 plates issued. The department shall make litter bags available to all
11 watercraft owners and persons entering the state by automobile. The
12 commissioner shall pick key distribution points so that the broadest
13 possible distribution is made to persons entering the state by auto-
14 mobile or watercraft; for example, marinas, airports, ports of entry or
15 similar centers of transportation activity. No charge is to be made for
16 the litter bags distributed under this section.

17 Sec. 18.32.130. REMOVAL OF LITTER. Responsibility for the removal
18 of litter from litter receptacles placed in parks, beaches, campgrounds,
19 trailer parks, and other publicly owned places shall remain upon those
20 state and local agencies performing litter removal.

21 Sec. 18.32.140. ADDITIONAL DUTIES OF DEPARTMENT. The department
22 shall

23 (1) serve as the coordinating agency between the various
24 industry organizations seeking to aid in litter control;

25 (2) recommend to the governing bodies of all general law or
26 home rule municipalities that they adopt ordinances similar to the
27 provisions of secs. 80 - 140 of this chapter;

28 (3) cooperate with all municipalities to accomplish coordina-
29 tion of local litter control efforts;

1 (4) encourage, organize and coordinate voluntary local
2 litter control campaigns seeking to focus the attention of the public on
3 the programs of this state to control and remove litter;

4 (5) investigate the availability of, and apply for and
5 disperse funds available from any private or public source to be used in
6 litter control programs.

7 ARTICLE 3. GENERAL PROVISIONS.

8 Sec. 18.32.150. REPORT TO THE LEGISLATURE. (a) Before January 1,
9 1980, the department shall submit a report to the legislature to include
10 but not be limited to an analysis of

11 (1) the economic impact of this chapter on

12 (A) persons licensed under AS 04.10;

13 (B) persons who engage in the nonalcoholic beverage
14 manufacturing business; and

15 (C) persons engaged in the business of manufacturing
16 beer and other malt beverages;

17 (2) the problems, if any, incurred in the distribution, sale
18 and return of beverage containers subject to this chapter;

19 (3) the effectiveness of the provisions of this chapter in
20 the reduction of the incidence of littering in the state, which shall be
21 based upon an annual comprehensive litter measurement program of selec-
22 ted roads, highways, parks, recreation areas and working and living
23 areas of the state, beginning July 1, 1977, and ending before January 1,
24 1980;

25 (4) the costs incurred in the enforcement of the provisions
26 of this chapter.

27 (b) The department may recommend legislative changes based on the
28 analysis required under (a) of this section.

29 Sec. 18.32.160. DEFINITIONS. In this chapter

1 (1) "beverage" means beer or other malt beverages, mineral
2 waters, soda water and similar carbonated or uncarbonated soft drinks in
3 liquid form and intended for human consumption;

4 (2) "beverage container" means the individual, separate,
5 sealed glass, metal can, jar, or plastic bottle, containing a beverage;

6 (3) "commissioner" means the commissioner of the Department
7 of Environmental Conservation;

8 (4) "dealer" means a person in this state who engages in the
9 sale of beverages in beverage containers to a consumer;

10 (5) "department" means the Department of Environmental Con-
11 servation;

12 (6) "distributor" means a person located in the state who
13 engages in the sale of beverages in beverage containers to a dealer in
14 this state, including a manufacturer who engages in sales to a dealer;

15 (7) "manufacturer" means a person bottling, canning, or
16 otherwise filling beverage containers for sale to distributors or
17 dealers;

18 (8) "place of business of a dealer" means the location at
19 which a dealer sells or offers for sale beverages in beverage containers
20 to consumers;

21 (9) "redemption center" means a facility established by the
22 department or a contractor selected by the department for the receipt of
23 beverage containers from the public and the payment of refund values
24 required under this chapter;

25 (10) "use or consumption" includes the exercise of a right or
26 power over a beverage incident to its ownership other than the sale or
27 the retention of a beverage for the purposes of sale.

28 * Sec. 3. AS 43 is amended by adding a new chapter to read:

29 CHAPTER 71. LITTER CONTROL TAX.

1 Sec. 43.71.010. TAX ON MANUFACTURER, WHOLESALER AND RETAILER. (a)

2 There is levied a tax of one-twentieth of one per cent on gross receipts
3 of all sales of retailers engaged in business in the state and all sales
4 of products by manufacturers and wholesalers for use or consumption in
5 the state. This tax shall be collected by the Department of Revenue
6 under procedures of the Department of Revenue, and the proceeds of the
7 tax shall be deposited in the general fund of the state. The legisla-
8 ture may appropriate an amount equal to the proceeds of the litter con-
9 trol tax for the purpose of funding the duties of the Department of
10 Environmental Conservation established under AS 18.32.

11 (b) The tax provided for in (a) of this section applies only to
12 the value of or the gross receipts of sales of the following manufac-
13 tured, wholesaled, or retailed items:

- 14 (1) food for human or pet consumption when containerized or
15 packaged in any way;
- 16 (2) cigarettes and tobacco products;
- 17 (3) soft drinks and carbonated waters;
- 18 (4) beer and other malt beverages;
- 19 (5) wine;
- 20 (6) newspapers and magazines;
- 21 (7) household paper and paper products;
- 22 (8) glass containers or any product sold in glass containers;
- 23 (9) metal containers or any product sold in metal containers;
- 24 (10) plastic or fiber containers made of synthetic material or
25 any product sold in plastic or fiber containers;
- 26 (11) cleaning agents and toiletries;
- 27 (12) nonprescription patented or nonpatented medicines and
28 remedies.

29 Sec. 43.71.020. REGULATIONS. The Department of Revenue shall

1 adopt appropriate regulations implementing sec. 10 of this chapter under
2 the Administrative Procedure Act (AS 44.62).

3 Sec. 43.71.030. TAX EXEMPTIONS. The activity of growing food
4 products or raising animals for food products is exempt from the gross
5 receipts tax provided for in sec. 10 of this chapter.

6 * Sec. 4. AS 11.20.590(b) and (e) are repealed.

7 * Sec. 5. This Act expires March 15, 1983.

8 * Sec. 6. Section 4 of this Act and the provisions of AS 18.32.080 - 18.-
9 32.140 and 18.32.150, enacted in sec. 2 of this Act, and AS 43.71.010 - 43.-
10 71.030, enacted in sec. 3 of this Act, take effect July 1, 1977.

11 * Sec. 7. The provisions of AS 18.32.010 - 18.32.030, 18.32.040(a) - (c),
12 18.32.050 - 18.32.070, and 18.32.160 enacted in sec. 2 of this Act, take
13 effect July 1, 1978.

14 * Sec. 8. The provisions of AS 18.32.040(d), enacted in sec. 2 of this
15 Act, take effect July 1, 1978.

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Original sponsors: Miller, Akers,
Gruening, et al

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2 SENATE CS FOR CS FOR HOUSE BILL 171

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10 newable resources, to decrease litter in Alaska, to provide jobs for Alaskans
11 in those business concerns recycling beverage containers, and to avoid the
12 increasing pollution of our environment by requiring the sale of refundable,
13 reusable, biodegradable beverage containers and by authorizing redemption
14 centers for the convenient return of the containers, and to accomplish litter
15 control throughout the state by delegating to a single state agency with
16 effective enforcement power the authority to conduct a permanent and con-
17 tinuous program to control and remove litter from the state to the maximum
18 extent possible. Other departments of the state and all local governmental
19 units and agencies of the state shall cooperate with the Department of
20 Environmental Conservation in the administration and enforcement of the
21 provisions of this Act. The legislative intent is to add to and to coordi-
22 nate existing litter control and reclamation efforts.

23 * Sec. 2. AS 18 is amended by adding a new chapter to read:

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25 ARTICLE 1. RETURNABLE BEVERAGE CONTAINERS.

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27 (a) Every beverage container sold or offered for sale in this state
28 shall have a refund value of not less than 10 cents.

29 (b) The refund value as established by (a) of this section and

1 payable under sec. 30 of this chapter shall be included in the price of
2 a beverage, however, the dealer or distributor may claim the refund
3 value as a deduction from gross receipts taxable under AS 43.71.

4 Sec. 18.32.020. REDEMPTION CENTER OR DISTRIBUTOR REFUSAL TO ACCEPT
5 PROHIBITED. (a) Except as provided in secs. 30 and 50 of this chapter,
6 no redemption center may refuse to accept from a person an empty bev-
7 erage container which states on it the refund value as established by
8 sec. 10 of this chapter.

9 (b) Except as provided in secs. 30 and 60(c) of this chapter, no
10 distributor may refuse to accept from a redemption center an empty
11 beverage container or refuse to pay the department the refund value of a
12 beverage container established under sec. 10 of this chapter.

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14 ACCEPT CONTAINERS. (a) A redemption center may refuse to accept from a
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16 an empty beverage container which does not state on it a refund value as
17 established by sec. 10 of this chapter.

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19 otherwise reusable beverage container which has been damaged in a manner
20 to preclude its reuse or which is in an unsanitary condition unless the
21 redemption center is located in an area of the state which does not have
22 access throughout the year to Anchorage, Ketchikan, Juneau, or Fairbanks
23 by road, railroad or state mainline ferry system. The department shall
24 adopt regulations defining when a beverage container is not reusable or
25 is in an unsanitary condition.

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28 July 1, 1978 unless it is reusable, recyclable or biodegradable.

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1 by a dealer or distributor shall clearly indicate by embossing or by a
2 stamp, or by a label or other method securely affixed to the beverage
3 container, the refund value of the container.

4 (c) The requirement in (b) of this section does not apply to glass
5 beverage containers which were manufactured before the effective date of
6 this chapter and which have a brand name permanently marked on them, but
7 such containers shall have a refund value of not less than 10 cents.

8 (d) No person may sell or offer for sale in this state a non-glass
9 beverage container so designed and constructed that the container can be
10 opened by detaching a part of the container.

11 Sec. 18.32.050. REDEMPTION CENTERS. (a) The state shall provide
12 redemption centers. The state may do this through contractual arrange-
13 ment. The public may return empty beverage containers to a redemption
14 center and receive payment of the refund value established under sec.
15 10 of this chapter for the beverage containers.

16 (b) Application for approval of a contractual redemption center
17 shall be filed with the department. The application shall state the
18 name and address of the person responsible for the establishment and
19 operation of the redemption center. The application shall include
20 additional information as the department requires.

21 (c) The department shall approve a contractual redemption center
22 if it finds the redemption center will provide a convenient service to
23 the public for the return of empty beverage containers. The department
24 may adopt regulations necessary to implement the purpose of this section.

25 (d) The department may review the approval of a contractual redemp-
26 tion center at any time. After written notice to the person responsible
27 for the establishment and operation of the redemption center, the
28 department may, after hearing, withdraw approval of a contractual redemp-
29 tion center if the department finds there has not been compliance with

1 its order approving the redemption center, or if the redemption center
2 no longer provides a convenient service to the public.

3 (e) A distributor who sells beverages in Alaska shall monthly pay
4 to the department an amount equal to the refund value of all beverage
5 containers sold by that distributor. The department shall deposit the
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10 refund value revolving fund which shall be administered by the commis-
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12 refund value on beverage containers received by a redemption center
13 established under this chapter. The fund is composed of money paid to
14 the department under sec. 50(a) of this chapter.

15 (b) All surplus remaining in the fund at the end of a fiscal year
16 shall be paid into the general fund.

17 Sec. 18.32.070. PENALTY. A person who violates secs. 10 - 20
18 or sec. 40 of this chapter, upon conviction, is punishable for a misde-
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22 establish and administer a state litter patrol to patrol the parks,
23 beaches, campgrounds, trailer parks, and other public places of the
24 state. The litter patrol shall consist of as many full-time patrolmen
25 in the classified service and additional part-time patrolmen as needed
26 to implement the provisions of secs. 80 - 140 of this chapter.

27 (b) In enforcing the provisions of secs. 80 - 140 of this chapter
28 the litter patrol shall be aided by all peace officers in the state as
29 well as fish and game enforcement officers and state park employees.

1 The persons named in this section have the authority to issue citations
2 and to arrest, without warrant, persons violating provisions of secs.
3 80 - 140 of this chapter or regulations adopted under this chapter. The
4 persons named in this section may serve and execute warrants, citations,
5 and other process issued by the courts of this state in enforcing the
6 provisions of secs. 80 - 140 of this chapter. Mailing by registered
7 mail to the last known address of the person sought to be issued a
8 warrant, citation or other process is personal service on the person
9 charged.

10 (c) The commissioner shall promulgate regulations under the Admin-
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12 of secs. 80 - 140 of this chapter.

13 Sec. 18.32.090. PROHIBITED ACTS. (a) A person may not throw,
14 drop, deposit, discard, or otherwise dispose of litter on public or
15 private property in the state or in waters in the state or under state
16 jurisdiction except

17 (1) when the property is designated by the state or an
18 agency or political subdivision of the state as property to be used for
19 the disposal of garbage or refuse and the person is authorized to use
20 the property for that purpose;

21 (2) into a litter receptacle so that the litter will be pre-
22 vented from being carried away or deposited by the elements upon public
23 or private property or waters in the state or under state jurisdiction.

24 (b) A person violating a provision of this section is guilty of a
25 misdemeanor and upon conviction is punishable by a fine of not more than
26 \$500, or by imprisonment for not more than 30 days, or by both. In the
27 discretion of the court issuing sentence under the provisions of this
28 section the court may require that the person found guilty of violating
29 a provision of this section engage, for a time designated and over an

1 area designated, in gathering and properly disposing of all litter in
2 the area designated by the court.

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4 posting pertinent provisions of secs. 80 - 140 of this chapter in appro-
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8 design one or more types of litter receptacles which are uniform as to
9 size, shape, capacity and color for wide and extensive distribution
10 throughout the public places of the state. Each receptacle shall bear
11 an antilitter symbol or logo designated and adopted by the division, as
12 well as a statement of the penalties for littering. In addition, all
13 receptacles shall have heavy lids constructed of a suitable and durable
14 material which is so designed as to attract attention and encourage the
15 depositing of litter.

16 (b) Litter receptacles provided for in (a) of this section shall
17 be placed in all public facilities of the state. Receptacles shall be
18 made available for placement on private property open for public access
19 at the option of the owner.

20 (c) A person owning private property that is open for public
21 access, who fails to place receptacles for the collection of litter upon
22 his property, is guilty of littering and is punishable in the same
23 manner as provided for in sec. 90 of this chapter.

24 Sec. 18.32.120. LITTER BAGS. The department shall design and
25 produce a litter bag bearing the state antilitter symbol or logo and a
26 statement of the penalties for littering in the state. The department
27 shall make available to the Department of Public Safety a number of
28 these bags so that each person upon renewing his motor vehicle regis-
29 tration may be given one along with his license plates. The division of

1 motor vehicles shall distribute one litter bag for each set of license
2 plates issued. The department shall make litter bags available to all
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5 possible distribution is made to persons entering the state by auto-
6 mobile or watercraft. No charge is to be made for the litter bags
7 distributed under this section.

8 Sec. 18.32.130. REMOVAL OF LITTER. Responsibility for the removal
9 of litter from litter receptacles placed in parks, beaches, campgrounds,
10 trailer parks, and other publicly owned places shall remain upon those
11 state and local agencies performing litter removal.

12 Sec. 18.32.140. ADDITIONAL DUTIES OF DEPARTMENT. The department
13 shall

14 (1) serve as the coordinating agency between the various
15 industry organizations seeking to aid in litter control;

16 (2) recommend to the governing bodies of all general law or
17 home rule municipalities that they adopt ordinances similar to the
18 provisions of secs. 80 - 140 of this chapter;

19 (3) cooperate with all municipalities to accomplish coordina-
20 tion of local litter control efforts;

21 (4) encourage, organize and coordinate voluntary local
22 litter control campaigns seeking to focus the attention of the public on
23 the programs of this state to control and remove litter;

24 (5) investigate the availability of, and apply for and
25 disperse funds available from any private or public source to be used in
26 litter control programs.

27 ARTICLE 3. GENERAL PROVISIONS.

28 Sec. 18.32.150. REPORT TO THE LEGISLATURE. (a) Before January 1
29 1980, the department shall submit a report to the legislature to include

1 but not be limited to an analysis of

2 (1) the economic impact of this chapter on

3 (A) persons licensed under AS 04.10;

4 (B) persons who engage in the nonalcoholic beverage
5 manufacturing business; and

6 (C) persons engaged in the business of manufacturing
7 beer and other malt beverages;

8 (2) the problems, if any, incurred in the distribution, sale
9 and return of beverage containers subject to this chapter;

10 (3) the effectiveness of the provisions of this chapter in
11 the reduction of the incidence of littering in the state, which shall be
12 based upon an annual comprehensive litter measurement program of selec-
13 ted roads, highways, parks, recreation areas and working and living
14 areas of the state, beginning July 1, 1977, and ending before January 1,
15 1980;

16 (4) the costs incurred in the enforcement of the provisions
17 of this chapter.

18 (b) The department may recommend legislative changes based on the
19 analysis required under (a) of this section.

20 Sec. 18.32.160. DEFINITIONS. In this chapter

21 (1) "beverage" means beer or other malt beverages and mineral
22 waters, soda water and similar carbonated soft drinks in liquid form and
23 intended for human consumption;

24 (2) "beverage container" means the individual, separate,
25 sealed glass, metal or plastic bottle, can or jar containing a beverage;

26 (3) "commissioner" means the commissioner of the Department
27 of Environmental Conservation;

28 (4) "dealer" means a person in this state who engages in the
29 sale of beverages in beverage containers to a consumer;

1 (5) "department" means the Department of Environmental Con-
2 servation;

3 (6) "distributor" means a person located in the state who
4 engages in the sale of beverages in beverage containers to a dealer in
5 this state, including a manufacturer who engages in sales to a dealer;

6 (7) "manufacturer" means a person bottling, canning, or
7 otherwise filling beverage containers for sale to distributors or
8 dealers;

9 (8) "place of business of a dealer" means the location at
10 which a dealer sells or offers for sale beverages in beverage containers
11 to consumers;

12 (9) "redemption center" means a facility established by the
13 department or a contractor selected by the department for the receipt
14 of beverage containers from the public and the payment of refund values
15 required under this chapter;

16 (10) "use or consumption" includes the exercise of a right or
17 power over a beverage incident to its ownership other than the sale or
18 the retention of a beverage for the purposes of sale.

19 * Sec. 3. AS 43 is amended by adding a new chapter to read:

20 CHAPTER 71. LITTER CONTROL TAX.

21 Sec. 43.71.010. TAX ON MANUFACTURER, WHOLESALER AND RETAILER. (a)
22 There is levied a tax of one-twentieth of one per cent on gross receipts
23 of all sales of retailers engaged in business in the state and all sales
24 of products by manufacturers and wholesalers for use or consumption in
25 the state. This tax shall be collected by the Department of Revenue
26 under procedures of the Department of Revenue, and the proceeds of the
27 tax shall be deposited in the general fund of the state. The legisla-
28 ture may appropriate an amount equal to the proceeds of the litter con-
29 trol tax for the purpose of funding the duties of the Department of

1 Environmental Conservation established under AS 18.32.

2 (b) The tax provided for in (a) of this section applies only to
3 the value of or the gross receipts of sales of the following manufac-
4 tured, wholesaled, or retailed items:

- 5 (1) food for human or pet consumption when containerized or
6 packaged in any way;
- 7 (2) cigarettes and tobacco products;
- 8 (3) soft drinks and carbonated waters;
- 9 (4) beer and other malt beverages;
- 10 (5) wine;
- 11 (6) newspapers and magazines;
- 12 (7) household paper and paper products;
- 13 (8) glass containers or any product sold in glass containers;
- 14 (9) metal containers or any product sold in metal containers;
- 15 (10) plastic or fiber containers made of synthetic material or
16 any product sold in plastic or fiber containers;
- 17 (11) cleaning agents and toiletries;
- 18 (12) nonprescriptioned patented or nonpatented medicines and
19 remedies.

20 Sec. 43.71.020. REGULATIONS. The Department of Revenue shall
21 adopt appropriate regulations implementing sec. 10 of this chapter under
22 the Administrative Procedure Act (AS 44.62).

23 Sec. 43.71.030. TAX EXEMPTIONS. The activity of growing food
24 products or raising animals for food products is exempt from the gross
25 receipts tax provided for in sec. 10 of this chapter unless these pro-
26 ducts are packaged or containerized in disposable packing or containers
27 before their initial sale.

28 Sec. 43.71.040. DEDUCTIONS. A dealer or distributor required to
29 pay a refund value under AS 18.32.020 is entitled to a deduction from

1 gross receipts taxable under this chapter of an amount equal to the pay-
2 ments required under AS 18.32.050(e).

3 * Sec. 4. AS 11.20.590(b) and (e) are repealed.

4 * Sec. 5. This Act expires March 15, 1983.

5 * Sec. 6. Section 4 of this Act and the provisions of AS 18.32.080 - 18.-
6 32.140 and 18.32.150, enacted in sec. 2 of this Act, and AS 43.71.010 - 43.-
7 71.030, enacted in sec. 3 of this Act, take effect July 1, 1977.

8 * Sec. 7. The provisions of AS 18.32.010 - 18.32.030, 18.32.040(a) - (c),
9 18.32.050 - 18.32.070, and 18.32.160 enacted in sec. 2 of this Act, take
10 effect July 1, 1978.

11 * Sec. 8. The provisions of AS 18.32.040(d), enacted in sec. 2 of this
12 Act, take effect January 1, 1978.

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Original sponsors: Miller, Akers, Gruening,
Malone and Specking

Offered: 4/4/77
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 171 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of beverage containers;
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 18 is amended by adding a new chapter to read:

10 CHAPTER 32. RETURNABLE BEVERAGE CONTAINERS.

11 Sec. 18.32.010. LEGISLATIVE INTENT. It is the intent of this
12 chapter to avoid the waste of nonrenewable resources, to decrease litter
13 in Alaska, to provide jobs for Alaskans in those business concerns
14 recycling beverage containers, and to avoid the increasing pollution of
15 our environment, by requiring the sale of refundable, reusable, biode-
16 gradable beverage containers and by authorizing redemption centers for
17 the convenient return of the containers.

18 Sec. 18.32.020. REFUND VALUE REQUIREMENTS OF BEVERAGE CONTAINERS.

19 (a) Every beverage container sold or offered for sale in this state
20 shall have a refund value of not less than 10 cents.

21 (b) The refund value as established by (a) of this section and
22 payable under sec. 40 of this chapter shall not be included in the price
23 of a beverage but shall be collected separately by the dealer or dis-
24 tributor at the time of sale, except that vending machines providing
25 beverages in beverage containers may include the refund value in the
26 price charged at the machine, but only if a sign is displayed upon the
27 vending machine informing the vendee of the price of the product and the
28 refund value.

29 Sec. 18.32.030. DEALER OR DISTRIBUTOR REFUSAL TO ACCEPT PROHIBITED.

1 (a) Except as provided in sec. 40 of this chapter, no dealer may refuse
2 to accept from a person an empty beverage container of the kind, size and
3 brand sold by the dealer, or refuse to pay to that person the refund
4 value of a beverage container established under sec. 20 of this chapter.

5 (b) Except as provided in secs. 40 and 65(c) of this chapter, no
6 distributor may refuse to accept from a dealer an empty beverage con-
7 tainer of the kind, size and brand sold by the distributor, or refuse to
8 pay the dealer the refund value of a beverage container established
9 under sec. 20 of this chapter.

10 Sec. 18.32.040. DEALER AND DISTRIBUTOR REFUSALS TO ACCEPT CON-
11 TAINERS. (a) A dealer may refuse to accept from a person, and a distri-
12 butor or a container collection service may refuse to accept from a
13 dealer, an empty beverage container which does not state on it a refund
14 value as established by sec. 20 of this chapter.

15 (b) A dealer, distributor or container collection service may
16 refuse to accept an otherwise reusable beverage container which has been
17 damaged in a manner to preclude its reuse or which is in an unsanitary
18 condition. The department shall adopt regulations defining when a
19 beverage container is not reusable or is in an unsanitary condition.

20 (c) A dealer whose principal place of business is located in an
21 area of the state which does not have access throughout the year to
22 Anchorage, Ketchikan, Juneau, or Fairbanks by road, railroad or state
23 mainline-ferry system may refuse to accept, and to pay the refund value
24 of, an empty beverage container, and he shall not collect the refund
25 value of an empty beverage container from a person purchasing the
26 beverage.

27 (d) A distributor who sells a beverage to a dealer covered by (c)
28 of this section may refuse to accept, and to pay the refund value of, an
29 empty beverage container sold to that dealer, and he shall not collect

1 the refund value of an empty beverage container at the time of sale
2 from a dealer covered by (c) of this section.

3 (e) The local governing body of a municipality may provide, by
4 ordinance, that dealers located within its jurisdiction and exempted
5 from this chapter under (c) of this section, and distributors exempted
6 from this chapter under (d) of this section who sell beverages to a
7 dealer located within the municipality, shall be subject to this chapter
8 for beverages sold within the municipality.

9 Sec. 18.32.050. CONTAINER MARKING AND CONSTRUCTION. (a) No
10 beverage container may be sold or offered for sale in this state after
11 January 1, 1978 unless it is reusable, recyclable or biodegradable.

12 (b) Each beverage container sold or offered for sale in this state
13 by a dealer shall clearly indicate by embossing or by a stamp, or by a
14 label or other method securely affixed to the beverage container, the
15 refund value of the container.

16 (c) The requirement in (b) of this section does not apply to glass
17 beverage containers which were manufactured before the effective date of
18 this chapter and which have a brand name permanently marked on them, but
19 such containers shall have a refund value of not less than 10 cents.

20 (d) No person may sell or offer for sale at retail in this state a
21 non-glass beverage container so designed and constructed that the con-
22 tainer can be opened by detaching a part of the container.

23 Sec. 18.32.060. REDEMPTION CENTERS. (a) Any person may establish
24 a redemption center for the return of empty beverage containers and to
25 serve dealers of beverages, subject to the approval of the department.
26 The public may return empty beverage containers at the redemption center
27 and receive payment of the refund value for the beverage containers.
28 Dealers not served by a redemption center shall accept beverage con-
29 tainers for refund at their place of business.

1 (b) Application for approval of a redemption center shall be filed
2 with the department. The application shall state the name and address
3 of the person responsible for the establishment and operation of the
4 redemption center, the kind and brand names of the beverage containers
5 which will be accepted at the redemption center, and the names and
6 addresses of the dealers to be served by the redemption center. The
7 application shall include additional information as the department
8 requires.

9 (c) The department shall approve a redemption center if it finds
10 the redemption center will provide a convenient service to the public
11 for the return of empty beverage containers. The order of the depart-
12 ment approving a redemption center shall state the dealers to be served
13 by the redemption center and the kind and brand names of empty beverage
14 containers which the redemption center is required to accept. The order
15 may contain other provisions to insure that the redemption center will
16 provide a convenient service to the public as the department may deter-
17 mine.

18 (d) The department may review at any time approval of a redemption
19 center. After written notice to the person responsible for the estab-
20 lishment and operation of the redemption center, and to the dealers
21 served by the redemption center, the department may, after hearing,
22 withdraw approval of a redemption center if the department finds there
23 has not been compliance with its order approving the redemption center,
24 or if the redemption center no longer provides a convenient service to
25 the public.

26 (e) The department shall adopt regulations establishing procedures
27 for approval or withdrawal of approval under this section.

28 Sec. 18.32.065. CONTAINER COLLECTION SERVICE. (a) The department
29 may contract with a person, business concern, general law or homerule

1 municipality, or nonprofit organization to provide a container collec-
2 tion service within an area designated by the department. The agreement
3 between the contractor and the department shall provide for an exclusive
4 right to collect beverage containers from dealers within a designated
5 area and a requirement that a contractor make regular collections of
6 beverage containers from dealers.

7 (b) The department shall designate areas within which a container
8 collection service will perform duties under the contract. The procure-
9 ment of container collection services for the contract area shall be
10 advertised locally in the area where the service is to be rendered.
11 Selection of the contractor shall be accomplished by direct negotiation
12 with all parties responding with a proposal for the delivery of the
13 requested services. An award of a contract for container collection
14 services shall be made to the party submitting a proposal that is deter-
15 mined by the department to best serve the need for container collection
16 within the contract area.

17 (c) A distributor who sells beverages within an area covered by a
18 contract for container collection service under (b) of this section
19 shall monthly pay to the contractor for that area an amount equal to the
20 refund value of all beverage containers sold during the month by that
21 distributor in the contract area. The container collection service
22 shall assume the distributor's responsibility for paying the refund
23 value on and further disposition of beverage containers collected by or
24 delivered to it.

25 Sec. 18.32.070. PENALTY. A person who violates secs. 20 - 30 or
26 sec. 50 of this chapter, upon conviction, is punishable for a misde-
27 meanor.

28 Sec. 18.32.080. REPORT TO THE LEGISLATURE. (a) Before January 1,
29 1980, the department shall submit a report to the legislature to include

1 but not be limited to an analysis of

2 (1) the economic impact of this chapter on

3 (A) persons licensed under AS 04.10;

4 (B) persons who engage in the nonalcoholic beverage
5 manufacturing business; and

6 (C) persons engaged in the business of manufacturing
7 beer and other malt beverages;

8 (2) the problems, if any, incurred in the distribution, sale
9 and return of beverage containers subject to this chapter;

10 (3) the effectiveness of the provisions of this chapter in
11 the reduction of the incidence of littering of beverage containers in
12 the state, which shall be based upon an annual comprehensive litter
13 measurement program of selected roads, highways, parks, recreation areas
14 and working and living areas of the state, beginning July 1, 1977, and
15 ending before January 1, 1980;

16 (4) the costs incurred in the enforcement of the provisions
17 of this chapter.

18 (b) The department may recommend legislative changes based on the
19 analysis required under (a) of this section.

20 Sec. 18.32.090. DEFINITIONS. In this chapter

21 (1) "beverage" means beer or other malt beverages and mineral
22 waters, soda water and similar carbonated soft drinks in liquid form and
23 intended for human consumption;

24 (2) "beverage container" means the individual, separate,
25 sealed glass, metal or plastic bottle, can or jar containing a beverage;

26 (3) "dealer" means a person in this state who engages in the
27 sale of beverages in beverage containers to a consumer, or a redemption
28 center approved under sec. 60 of this chapter, but does not include a
29 person who allows the placement upon his premises of a vending machine