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Summary: Soucy Bottle Act

**HISTORY OF LEGISLATIVE ACTIONS**

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**VERSIONS OF THIS BILL**

[4/28/2016](file:///p:\pprever\2015-16\5294_20160428.docx)

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 97 TO TITLE 44 SO AS TO ENACT THE “SOUCY BOTTLE ACT”; TO PROVIDE FOR THE RECYCLING OF BEVERAGE CONTAINERS BY CONSUMERS; TO REQUIRE DEPOSIT BEVERAGE DISTRIBUTORS THAT OPERATE WITHIN THE STATE TO REGISTER WITH THE DEPARTMENT OF REVENUE AND MAINTAIN CERTAIN RECORDS; TO REQUIRE DEPOSIT BEVERAGE DISTRIBUTORS TO PAY A CONTAINER RECOVERY FEE AND A DEPOSIT FOR EACH DEPOSIT BEVERAGE CONTAINER SOLD IN THE STATE; TO REQUIRE DEPOSIT BEVERAGE DISTRIBUTORS TO CHARGE DEALERS OR CONSUMERS A DEPOSIT EQUAL TO THE REFUND VALUE OF THE BEVERAGE CONTAINER; TO PRESCRIBE BEVERAGE CONTAINER REFUND VALUES AND TO REQUIRE REFUND VALUES TO BE AFFIXED TO BEVERAGE CONTAINERS; TO CREATE THE “DEPOSIT BEVERAGE CONTAINER FUND” WITHIN THE DEPARTMENT OF REVENUE, TO PROVIDE WHICH FUNDS ARE TO BE DEPOSITED IN THE FUND AND HOW THE FUND IS TO BE USED; TO REQUIRE THE BUREAU OF LAND AND WASTE MANAGEMENT OF THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL TO ADMINISTER THE PROGRAM; TO REQUIRE THE COMPTROLLER GENERAL TO CONDUCT AN AUDIT OF THE PROGRAM DURING CERTAIN FISCAL YEARS; TO AUTHORIZE THE BUREAU TO ADOPT RULES AND PROMULGATE REGULATIONS TO EFFECTUATE PROVISIONS OF THIS CHAPTER; TO REQUIRE DEALERS TO POST SIGNS THAT INDICATE INFORMATION ABOUT REDEMPTION CENTERS; TO REQUIRE THE BUREAU TO DEFINE UNDERSERVED AREAS AND WORK TO PUT CERTIFIED REDEMPTION CENTERS IN THESE AREAS; TO REQUIRE PROSPECTIVE REDEMPTION CENTERS AND PROSPECTIVE PROCESSORS TO REGISTER WITH THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL, AND TO PROVIDE REQUIREMENTS FOR THE ISSUANCE OF CERTIFICATION; TO PRESCRIBE THE USE OF REVERSE VENDING MACHINES IN THE COLLECTION OF BEVERAGE CONTAINERS; TO PROVIDE SITUATIONS IN WHICH A CERTIFIED REDEMPTION CENTER MAY REFUSE TO PAY THE REFUND VALUE ON A DEPOSIT BEVERAGE CONTAINER; TO PROVIDE FOR THE PAYMENT OF HANDLING FEES BY THE DEPARTMENT OF REVENUE TO CERTIFIED REDEMPTION CENTERS UPON CERTAIN CONDITIONS; TO PROVIDE FOR THE PAYMENT OF ADMINISTRATIVE FEES BY THE DEPARTMENT OF REVENUE TO PROCESSORS UPON CERTAIN CONDITIONS; TO REQUIRE PROCESSORS TO SUBMIT INVOICES TO THE DEPARTMENT OF REVENUE CONCERNING REFUND VALUES AND ASSOCIATED FEES; TO REQUIRE DISTRIBUTORS, REDEMPTION CENTERS, AND PROCESSORS TO MAKE RECORDS AVAILABLE UPON CERTAIN CONDITIONS; TO REQUIRE THE DEPARTMENT OF REVENUE TO COMPILE AND PUBLISH A REPORT ON THE PROGRAM EACH FISCAL YEAR; TO PROVIDE FOR THE MEMBERSHIP AND DUTIES OF AN ADVISORY COMMITTEE TO THE BUREAU; AND TO PROVIDE PENALTIES FOR THE VIOLATION OF THIS CHAPTER.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. This act is known as and may be cited as the ‘Soucy Bottle Act’.

SECTION 2. Title 44 of the 1976 Code is amended by adding:

“CHAPTER 97

Soucy Bottle Act

Section 44‑97‑10. As used in this chapter:

(1) ‘Administrative fee’ means an amount paid by the State to a certified processor to defray administrative costs.

(2) ‘Bureau’ means the Bureau of Land and Waste Management, a division of the Department of Health and Environmental Control.

(3) ‘Cancel’ means to crush, flatten, shred, or otherwise render a deposit beverage container unfit for redemption.

(4) ‘Certified processor’ means a facility designed for the collection, processing, and sale or reuse of secondary resources that would otherwise be disposed of as municipal solid waste, and that has been certified by the department to purchase, quantify, document, cancel, process, and reuse or sell for reuse, deposit beverage containers that have been collected at certified redemption centers.

(5) ‘Certified redemption center’ means an operation that has been certified by the department to accept empty deposit beverage containers from consumers; sort the containers according to material type and, if applicable, color and size; pay no less than the established refund value either to the consumer or to a recipient designated or intended by the consumer; ensure that the properly sorted containers are received by a certified processor; and, where authorized, cancel the empty containers. A certified redemption center may be a:

(a) dedicated storefront facility;

(b) facility that is operated by and is a part of a:

(i) grocery store or other retailer;

(ii) nonprofit agency or facility, such as a homeless shelter;

(iii) recycling program operated by, or on behalf of, a county, municipal or metropolitan government, including a recycling convenience center, a waste transfer station, a materials recovery facility, or a landfill; or

(iv) certified processor;

(c) portable microsite redemption center;

(d) mobile redemption center;

(e) reverse vending machine; or

(f) drop‑off redemption center operating in conjunction with an electronic certified processor.

(6) ‘Commissioner’ means the Commissioner of the Department of Health and Environmental Control.

(7) ‘Comptroller’ means the Office of the Comptroller General.

(8) ‘Consumer’ means a person who buys a beverage in a deposit beverage container for use or consumption and pays the deposit.

(9) ‘Container recovery fee’ means an amount paid to the State by a deposit beverage distributor to defray the costs of collecting and recycling deposit beverage containers and administering the deposit program.

(10) ‘Dealer’ means a person who engages in the sale of beverages in deposit beverage containers to a consumer for off‑premises consumption in the State.

(11) ‘Department’ means the Department of Health and Environmental Control.

(12) “Deposit beverage’ means beer, ale, or other drink produced by fermenting malt; carbonated soft drinks; carbonated and noncarbonated water, including flavored water; tea and coffee drinks regardless of dairy‑derived product content; juices, including one hundred percent juices and juice blends; wine coolers, flavored malt beverages and any other juice‑based beverage with an alcohol content of not more than seven percent by volume; and all nonalcoholic drinks in liquid form and intended for internal human consumption that are contained in a deposit beverage container. ‘Deposit beverage’ excludes the following:

(a) a liquid which is:

(i) a syrup;

(ii) in a concentrated form; or

(iii) typically added as a minor flavoring ingredient in food or drink, such as extracts, cooking additives, sauces, or condiments;

(b) a liquid which is a drug, medical food, or infant formula as defined by the Federal Food, Drug, and Cosmetic Act 21 U.S.C. Section 301 et seq.;

(c) a liquid which is designed and consumed only as a dietary supplement and not as a beverage as defined in the Dietary Supplement Health and Education Act of 1994 (Public Law 103‑417);

(d) products frozen at the time of sale to the consumer, or, in the case of institutional users such as hospitals and nursing homes, at the time of sale to the users;

(e) products designed to be consumed in a frozen state;

(f) instant drink powders;

(g) seafood, meat, or vegetable broths, or soups, but not juices;

(h) milk and all other dairy‑derived products, except tea and coffee drinks containing these products; and

(i) unmixed wine and spirits.

(13) ‘Deposit beverage container’ means an individual, separate, sealed container that is not considered a refillable beverage container according to item (27), and that is made of glass, aluminum, steel, bimetal, or plastic, including polyethylene terephthalate (PET), high‑density polyethylene (HDPE), and all other plastic types and grades, in sizes less than or equal to two liters, and used for containing, at the time of sale to the consumer, a deposit beverage intended for use or consumption in this State.

(14) ‘Deposit beverage container fund’, hereinafter ‘fund’, means a fund created in the state treasury by the Department of Revenue, into which are deposited all program fees, deposits, fines, and interest, and out of which are paid all program costs, refund values, handling fees, administrative fees, disposal costs, and other allocations.

(15) ‘Deposit beverage container program’, hereinafter ‘program’, means an administrative entity created within the division of Land and Waste Management of the Department of Health and Environmental Control to carry out the requirements of this chapter.

(16) ‘Deposit beverage distributor’ means a person who is a manufacturer of beverages in deposit beverage containers sold in this State, or who imports and engages in the sale of filled deposit beverage containers to a dealer or consumer, and includes federal agencies and military distributors, but does not include airlines and shipping companies that merely transport deposit beverage containers.

(17) ‘Drop‑off redemption center’ means a certified redemption center, typically located adjacent to a participating grocery store, and operating in conjunction with an electronic certified processor as defined in item (18). Drop–off redemption centers accept bags of deposit beverage containers from participating consumers; provide barcoded labels for the bags; ensure that the labeled bags are transported to and processed by an electronic certified processor; and provide automated teller machines wherein participants may review their redemption accounts and print credit slips to be redeemed inside the participating grocery store.

(18) ‘Electronic certified processor’ means a type of certified processor operating in conjunction with one or more drop‑off redemption centers. An electronic certified processor automatically scans, sorts, and cancels empty deposit beverage containers that have been received from participating consumers at drop‑off redemption centers; electronically records all transaction information, including quantities, materials, and refund amounts due; and posts the refund amounts to consumers’ redemption accounts.

(19) ‘Fiscal year’ means the twelve–month period beginning on any July first and ending on the following June thirtieth.

(20) ‘Handling fee’ means an amount paid by the State to a certified redemption center to defray the costs of, and provide a reasonable financial return for, receiving, quantifying, sorting, storing, documenting, canceling, and ensuring that redeemed deposit beverage containers are received by a certified processor.

(21) ‘Import’ means to buy, bring, or accept delivery of deposit beverage containers from an address, supplier, or any entity outside of the State.

(22) ‘Importer’ means a person who buys, brings, or accepts delivery of deposit beverage containers from outside the state for sale or use within the State.

(23) ‘Microsite redemption center’ means a portable, attended roll‑off trailer designed and equipped to serve as a certified redemption center, and typically located in the parking lot of a host grocery store or other retailer. Redemption refunds are typically  
issued in the form of a credit slip that the consumer may redeem for cash or apply toward purchases inside the host grocery store or retailer.  
 (24) ‘Mobile redemption center’ means a certified redemption center designed to bring redemption services to residences, institutions, conventions, businesses, and other entities, either on a one–time or on‑going basis. A mobile redemption center may operate independently, or it may be operated in conjunction with another certified redemption center or a certified processor.

(25) ‘On‑premises consumption’ means consumption of a deposit beverage by a consumer immediately and within the area under control of the establishment, including bars, restaurants, passenger ships, and airplanes.

(26) ‘Person’ means an individual, partnership, firm, association, public or private corporation, federal agency, the State or any of its political subdivisions, trust, estate, or another legal entity.

(27) ‘Refillable beverage container’ means a beverage container that is intended to be returned intact to the manufacturer or distributor to be washed, refilled, and resold; that is sold in a container which has a brand name permanently marked on it; and that bears a manufacturers’ refund value of at least five cents.

(28) ‘Reverse vending machine’ means a self‑service certified redemption center, typically located adjacent to a grocery store, into which a consumer feeds empty deposit beverage containers. The machine electronically scans the container’s bar code, sorts and cancels the container, records the transaction information, and issues a refund in the form of a redeemable credit slip, cash, or donation to a designated charity.

Section 44‑97‑20. (A) By September 1, 2016, all deposit beverage distributors operating within the State shall register with the Department of Revenue in a manner and form prescribed by the Department of Revenue. After September 1, 2016, any person who desires to conduct business in the State as a deposit beverage distributor shall register with the Department of Revenue no later than one month prior to the commencement of the business.

(B) All deposit beverage distributors shall maintain records reflecting the manufacture and importation of beverages in deposit beverage containers as well as in refillable beverage containers. The records must be made available, upon request, for inspection by the Department of Revenue and the Department of Health and Environmental Control; provided, that any proprietary information obtained by either department must be kept confidential and may not be disclosed to another person, except:

(1) as may be reasonably required in an administrative or judicial proceeding to enforce a provision of this act or a rule adopted pursuant to this chapter; or

(2) pursuant to an order issued by a court or administrative agency hearings officer.

Section 44‑97‑30. (A) Beginning on October 1, 2016, every deposit beverage distributor shall pay to the Department of Revenue a container recovery fee for each deposit beverage container manufactured in or imported into the State. The fee must be imposed only once on the same deposit beverage container and must be implemented in phases as follows:

(1) the amount of the container recovery fee from October 1, 2016, until March 31, 2018, is one‑quarter of one cent per deposit beverage container;

(2) beginning April 1, 2018, the amount of the container recovery fee increases to one‑half of one cent per deposit beverage container and must remain at that level until December 31, 2020; and

(3) beginning January 1, 2018, the amount of the container recovery fee increases to one cent per deposit beverage container and must remain at that level until changed by an act of the General Assembly.

(B) Payment must be accompanied by an inventory report in a manner and form prescribed by the Department of Revenue that identifies the number of beverages in deposit beverage containers, by container size and type, manufactured in or imported into the State during the reporting period.

(C) All inventory reports and payments must be made monthly and received by the fifteenth day of the month following the end of the reporting period.

(D) Payment must be made by check or money order payable to the ‘Department of Revenue, State of South Carolina’.

(E) A local government may not impose or collect an assessment or fee on deposit beverage containers for the same or similar purpose that is the subject of this chapter.

Section 44‑97‑40. (A) Beginning March 1, 2017, every deposit beverage distributor shall pay to the Department of Revenue a deposit on each deposit beverage container manufactured in or imported into the State.

(B) The deposit is five cents and must remain at that level until changed by an act of the General Assembly.

(C) Payment of the deposit must be made simultaneously with, and according to the same terms as, payment of the container recovery fee as described in Section 44‑97‑30.

Section 44‑97‑50. (A) Beginning April 1, 2017, every deposit beverage distributor shall charge the dealer or consumer a deposit equal to the refund value for each deposit beverage container sold in South Carolina. The deposit charge must appear as a separate line item on any invoice or sales receipt. The deposit charge is not subject to any state tax.

(B) Beginning April 1, 2017, a dealer shall charge the consumer at the point of sale a deposit equal to the refund value for each deposit beverage container sold in South Carolina, except on beverages intended for on‑premises consumption. The deposit charge must appear as a separate line item on any sales receipt or invoice. The deposit charge is not subject to state tax.

Section 44‑97‑60. (A) Beginning April 1, 2017, every deposit beverage container sold in this State shall have a South Carolina refund value of five cents. The refund value is the amount of the deposit required. Once a refund value has been applied to a deposit beverage container, the deposit on that container may not be changed, and may not be collected more than once.

(B) The refund value must be clearly printed, embossed, stamped, labeled, or otherwise marked on the container, along with the word ‘South Carolina’ or the letters ‘SC’. The names or letters representing other states with comparable deposit legislation also may be included in the indication of refund value. Other indications may be required as specified in rules, and in a form and manner prescribed by the bureau.

(C) Each deposit beverage container must encode within the universal product code or similar machine‑readable indicia, information regarding the size and type of container and the refund value of the container in the states in which the container is intended to be sold.

(D) Inventory already in circulation on April 1, 2017, must be affixed or sold with an adhesive sticker bearing the refund value of the container, the words ‘South Carolina’ or the letters ‘SC’ and a bar code bearing the redemption information. These stickers must be purchased from the Department of Revenue by the beverage distributors, who shall pay the deposit value of five cents per sticker.

(E) This section does not apply to any type of refillable beverage container.

Section 44‑97‑70. (A) There is established in the State Treasury by the Department of Revenue the ‘deposit beverage container fund’, hereafter ‘fund’, into which must be deposited all:

(1) revenues generated from the container recovery fee;

(2) revenues generated from the deposit beverage container deposit;

(3) accrued interest from this fund; and

(4) fines and penalties assessed for violations of this chapter.

(B) Monies in the fund must be used to:

(1) reimburse refund values for deposit beverage containers redeemed by certified redemption centers pursuant to Section 44‑97‑150;

(2) pay handling fees for deposit beverage containers redeemed by certified redemption centers pursuant to Section 44‑97‑190;

(3) pay administrative fees to certified processors pursuant to Section 44‑97‑200;

(4) reimburse disposal costs to certified processors pursuant to Section 44‑97‑180;

(5) pay certified redemption centers or certified processors their share of fines collected pursuant to Section 44‑97‑270;

(6) fund all administrative, accounting, auditing, and compliance activities associated with the deposit beverage container program;

(7) employ personnel to oversee the implementation of the deposit beverage container program, including permitting and enforcement activities; and

(8) defray associated office expenses.

(C) Monies deposited in the fund also may be used to:

(1) establish or support certified redemption centers, or both establish and support these centers, including microsite certified redemption centers, pursuant to Section 44‑97‑140;

(2) support certified processors; and

(3) provide grants to local governments for solid waste management, recycling, litter control, and other programs and activities related to the purposes of this chapter.

(D) Funds remaining in the fund at the end of a fiscal year must escheat to the State, must remain in reserve until expended for purposes consistent with or authorized by this chapter, and may not revert to the general fund on any June thirtieth. Excess revenues from interest earned by these revenues may not revert on any June thirtieth, but must remain available for expenditure in subsequent fiscal years. Unexpended allocation from this reserve may not revert to the general fund on any June thirtieth, but must remain available for expenditure in subsequent fiscal years.

Section 44‑97‑80. The following annual allocations must be made from the fund by the Department of Revenue:

(1) a sum sufficient must be allocated annually from the fund to reimburse the Department of Transportation for the loss of funding of the existing county litter grants program, including funding for litter education and eradication activities by county governments.

(a) payment must be made annually to the Department of Transportation, by September first of each year. The first payment must be made by September 1, 2018;

(b) the amount of payment must be based on sales of malt beverages and soft drinks in South Carolina during the preceding fiscal year, as determined by tax returns filed with the Department of Revenue by manufacturers, bottlers, importers, or distributors of malt beverages and soft drinks;

(c) the payment amount is equal to the sum of the products of the following calculations:

(i) fifty cents per taxable thirty‑one gallon barrel or partial barrel of malt beverage sold during the payment period; and

(ii) four‑tenths of one percent of taxable gross receipts of soft drinks sold during the payment period; and

(2) a sum sufficient must be allocated annually to reimburse local governments for any loss in additional revenue that is not provided for in item (1) of this section.

Section 44‑97‑90. (A) The deposit beverage container program must be administered by the Bureau of Land and Waste Management within the Department of Health and Environmental Control, with accounting functions performed by the Department of Revenue.

(B) The bureau shall create a separate administrative entity within the Bureau of Land and Waste Management, with dedicated positions funded by the deposit beverage container fund. This entity must be known as the deposit beverage container program.

(C) The Commissioner of Revenue may contract the accounting services of a third party to meet the accounting requirements of the deposit beverage container program. The costs for this service must be reimbursed by the deposit beverage container fund.

(D) The department may produce brochures, websites, videos, and other promotional materials that the bureau determines to be necessary to inform the public about the goals, operations, benefits, and outcomes of the deposit beverage container program.

Section 44‑97‑100. The Comptroller General shall conduct a management and financial audit of the deposit beverage container program for fiscal years 2016‑2017 and 2017‑2018, and for each fiscal year thereafter ending in an even‑numbered year. The Comptroller General shall submit the audit report, including the amount of unredeemed refund value and recommendations, to the General Assembly, the Department of Revenue, and Department of Health and Environmental Control before January second following the end of the preceding reporting period. The costs incurred by the Comptroller General for the audit must be reimbursed by the deposit beverage container fund. The Comptroller General may contract the audit services of a third party to conduct the audit.

Section 44‑97‑110. The bureau and the Department of Revenue are authorized to adopt rules and promulgate regulations to effect the purposes of this act. These rules and regulations must be promulgated in accordance with the Administrative Procedures Act, as contained in Chapter 23, Title 1.

Section 44‑97‑120. Full implementation of the deposit beverage container program must commence on April 1, 2017.

Section 44‑97‑130. Every dealer shall post a clear and conspicuous sign at each public entrance to the dealer’s place of business, which specifies the name, address, phone number, and hours of operation of the closest certified redemption centers.

Section 44‑97‑140. The bureau shall adopt by rule the definition of an underserved area with regard to certified redemption centers. If an area is underserved according to this definition, the department, with input from the affected county, shall use its best efforts to see that a certified redemption center or microsite certified redemption center is established in that area. If other funding is not available, monies from the deposit beverage container fund may be used to establish and support the certified redemption center or microsite certified redemption center.

Section 44‑97‑150. (A) Prior to participating in the program, a redemption center that wishes to operate in South Carolina must be certified by the department according to regulations promulgated by the bureau. These regulations must require that all information submitted to the department be under penalty of perjury. Applications for certification must be filed with the department, in a form and manner prescribed by the bureau.

(B) Municipal, metropolitan, and county governments, nonprofit organizations, dealers, businesses, existing processors, and individual persons are eligible to apply for certification to operate a certified redemption center.

(C) The department shall establish criteria to determine the number of certified redemption centers needed to adequately serve each county, based on population density, population distribution, consultation with the respective counties, and other factors. The department may use these criteria in issuing certifications.

(D) The department may, at any time, review the certification of a certified redemption center. After written notice to the person responsible for the establishment and operation of the certified redemption center, the department, after it has afforded the certified redemption center operator a hearing in accordance with the Administrative Procedures Act as provided in Chapter 23, Title 1, may withdraw the certification of the center if it finds that there has not been compliance with applicable laws, rules, permit conditions, or certification requirements.

(E) A certified redemption center shall:

(1) accept all types of empty deposit beverage containers on which a South Carolina deposit has been paid;

(2) accept deposit beverage containers from the public during a minimum number of hours or days per week, according to rules promulgated by the bureau;

(3) maintain redemption areas in full compliance with applicable laws and according to orders and rules established by the bureau, including permitting and certification requirements;

(4) take reasonable actions to identify, and prevent payment of a refund value on, any beverage container or other product on which a South Carolina deposit has not been paid, including containers that the certified redemption center knows, or ought to know, have been brought into the state from another state;

(5) determine the quantities of deposit beverage containers by manual count, electronic scan, weight, volume, or other method authorized by the bureau, and in a form and manner prescribed by the bureau;

(6) pay either to the consumer, or to a charity or other recipient designated by or intended by the consumer, an amount not less than the established refund value for all valid deposit beverage containers;

(7) maintain a log of consumer transactions, including amounts donated to charity or other designated organization, and the name and address of the charity or organization;

(8) sort, consolidate, and, if authorized by the department, cancel their deemed deposit beverage containers according to rules promulgated by the bureau;

(9) take reasonable precautions to ensure that redeemed deposit beverage containers are placed in a secure area while awaiting purchase by a certified processor;

(10) ensure that all redeemed deposit beverage containers are purchased by a certified processor, at prices consistent with prevailing market scrap values, transportation costs, and other factors. If a container material has a market scrap value of zero or less than zero, the negative value must be noted on any transaction receipts, and the payment entered as zero;

(11) provide to the certified processor or the agent of a processor a shipping report in a form and manner prescribed by the bureau, and including, but not limited to, the following information:

(a) the individual unit quantities, by container type and collectively, of all deposit beverage containers being shipped to the certified processor, and whether quantities in each instance were determined by manual count, electronic scan, weight, volume, or a combination;

(b) the amounts paid in refund values for the redeemed deposit beverage containers, by container type and collectively;

(c) weight tickets, if applicable; and

(d) printouts of electronic transaction logs, if applicable;

(12) prepare, maintain, and provide to the department upon request, all records and documentation of redemption activity, including, but not limited to, consumer transaction logs, shipping reports, weight tickets, transaction receipts received from certified processors, electronic transaction printouts as applicable, and documents authorizing the canceling of redeemed deposit beverage containers; and

(13) provide to the department, in a form and manner prescribed by the bureau, and no later than October first of each year, a summary of redemption center activity for the preceding fiscal year, including, but not limited to, quantities of deposit beverage containers redeemed, by container type and collectively; the amount of charitable donations made, and the name and address of the receiving charities.

(F) A certified redemption center that wishes to cancel redeemed deposit beverage containers as part of its regular handling procedures must apply for and receive authorization to do so from the department, and shall perform and document the cancellations in a form and manner prescribed by the bureau.

(G) A certified redemption center that wishes to accept refillable beverage containers from consumers shall:

(1) pay to the consumer the manufacturer’s refund value for the refillable beverage container;

(2) record the transaction in the consumer transaction log;

(3) ensure that the refillable beverage container is received by a certified processor, willing purchaser, or originating beverage distributor, who shall reimburse the manufacturer’s refund value to the certified redemption center. The certified redemption center may negotiate a handling fee for the return of these containers.

(H) The quantity of beverage containers, including refillable beverage containers, recycled by a certified redemption center must be credited to the local government where the certified redemption center is located for purposes of calculating solid waste diversion amounts and meeting regional solid waste reduction goals.

Section 44‑97‑160. Reverse vending machines may be used to satisfy the requirements of Section 44‑97‑150, except that reverse vending machines are not required to accept refillable beverage containers; and provided that:

(1) the machines accept all types of empty deposit beverage containers that bear a valid South Carolina refund value;

(2) the machines pay out the full amount of the refund value via cash, credit slip, electronic credit, or designated donation;

(3) the machines are monitored during operating hours by an attendant;

(4) the machines are routinely serviced to ensure proper operation and continuous acceptance of containers and payment of refunds; and

(5) should the reverse vending machine fail to accept, recognize, or process a South Carolina deposit beverage container that is otherwise valid, the attendant shall manually accept the container and issue the appropriate refund value. The reverse vending machine must display a toll‑free phone number and mailing address that the consumer may contact if the conflict cannot be resolved, or if no attendant is available.

Section 44‑97‑170. Certified redemption centers may refuse to pay the refund value on any deposit beverage container that:

(1) is broken, corroded, dismembered, or flattened;

(2) contains a free‑flowing liquid;

(3) does not properly indicate a refund value; or

(4) contains or bears a significant amount of foreign material.

Section 44‑97‑180. (A) Prior to participating in the program, a processor must be certified by the department and registered with the Department of Revenue according to regulations promulgated by the bureau. These regulations must require that all information submitted to the department or to the Department of Revenue be provided under penalty of perjury. Applications for certification must be filed with the department, in a form and manner prescribed by the bureau. Applications for registration must be filed with the Department of Revenue, in a form and manner prescribed by the Director of the Department of Revenue.

(B) The department may, at any time, review the certification of a certified processor. After written notice to the person of record responsible for the establishment and operation of the certified processor, the department, after it has afforded the certified processor operator a hearing in accordance with the Administrative Procedures Act as provided in Chapter 23, Title 1 may withdraw the certification of the facility if it finds that there has not been compliance with applicable laws, rules, permit conditions, or certification requirements.

(C) A certified processor shall:

(1) accept from certified redemption centers all types of deposit beverage containers that have been redeemed, quantified, sorted and, if authorized, canceled in accordance with program rules, and that are accompanied by a shipping report prepared by the certified redemption center in accordance with program rules;

(2) independently determine quantities of each type of deposit beverage container, either by manual count, electronic scan, volume, weight, or a combination of these methods, according to standards, averages, and rules prescribed by the bureau; and document the quantities in a form and manner prescribed by the bureau;

(3)(a) perform a random sampling or samplings, in a form and manner prescribed by the bureau, of the redeemed deposit beverage containers, to ascertain that they bear a valid South Carolina refund value;

(b) if a significant discrepancy exists between the redemption quantities stated on the shipping report prepared by the certified redemption center, and the results of the independent quantification performed by the certified processor; or if a random sampling of redeemed beverage containers shows a significant proportion of beverage containers that do not bear a valid South Carolina refund value, the certified processor may withhold payment to the certified redemption center, or the Department of Revenue may withhold payment to the certified processor, pending further investigation by the department, according to procedures prescribed by the bureau. The bureau shall establish by rule what constitutes ‘significant discrepancy’ and ‘significant proportion’ relative to this section;

(4) cancel the redeemed deposit beverage containers, if they have not already been canceled;

(5)(a) process the containers as needed for remanufacturing or sale to a willing purchaser;

(b) if, after making a good‑faith effort, a certified processor is unable to locate a willing purchaser for beverage container material, the certified processor shall submit to the department a disposal request form, in a form and manner prescribed by the department, that describes the material and quantities, details efforts made to find a willing purchaser, and specifies the intended manner and location of disposal. The material may not be disposed of without a written authorization to do so by the department. All rejected loads of deposit beverage containers must be available for and subject to inspection by the department. The certified processor may recover costs associated with handling and disposing of the rejected material by presenting to the Department of Revenue a written request for reimbursement in a form and manner prescribed by the bureau and accompanied by the disposal authorization and all associated receipts. The bureau shall establish by rule what constitutes ‘good‑faith effort’ as provided in this subitem;

(6)(a) issue payment to certified redemption centers, in an amount that is the sum of all of the following amounts:

(i) the refund value of the redeemed deposit beverage containers received from the certified redemption center;

(ii) the prevailing handling fee for the redeemed deposit beverage containers, pursuant to Section 44‑97‑190; and   
 (iii) payment for the container materials, in an amount that reflects and is consistent with prevailing market scrap prices, incurred transportation, or delivery costs and other factors.

(b) payment must be made to the certified redemption center within ten business days, unless a significant discrepancy exists pursuant to subsection (C)(6), in which case payment may be withheld pending the outcome of an investigation by the department, according to procedures prescribed by the bureau;

(7) provide to the certified redemption center a transaction receipt, prepared in a form and manner prescribed by the bureau. Information in the transaction receipt must include at a minimum: (a) the individual unit quantities, by container type and collectively, of deposit beverage containers received from the certified redemption center, and whether quantities in each instance were determined by manual count, electronic scan, volume, weight, or a combination;

(b) the weight, by container type and collectively, of deposit beverage containers received from the certified redemption center;

(c) the amounts paid in refund values to the certified redemption center, by container type and collectively;

(d) the amounts paid in handling fees to the certified redemption center, by container type and collectively; and

(e) the amounts paid in scrap values, by unit and in total, for each type of deposit beverage container purchased from the certified redemption center. Containers with a market value of zero or less than zero must be recorded, and the market value noted, but the payment must be entered as zero;

(8) submit to the Department of Revenue, pursuant to Section 44‑97‑210 and in a form and manner prescribed by the bureau, a processor’s invoice for reimbursement or payment of refund values, handling fees, and administrative fees incurred in each separate transaction with a certified redemption center;

(9) for any refillable beverage containers received from the certified redemption center, reimburse the manufacturer’s refund value to the certified redemption center and ensure that the refillable beverage containers are returned to the originating beverage distributor or sold to a willing purchaser. The certified processor may negotiate a handling fee with the originating distributor or willing purchaser for the return of these containers; and

(10) maintain copies of all documentation, including, but not limited to, shipping reports, weight tickets, transaction receipts, requests for disposal, and end‑market information, and make them available, upon request, to the Department of Revenue and the Department of Health and Environmental Control.

Section 44‑97‑190. (A) Beginning April 1, 2017, the Department of Revenue shall pay to a certified redemption center, by agency of a certified processor, a handling fee for each deposit beverage container that has been redeemed by the certified redemption center and received by the certified processor in accordance with regulations and standards established by the bureau.

(B) For the period from April 1, 2017, through December 31, 2019, the amount of the handling fee is two cents per container.

(C) Beginning January 1, 2019, and annually thereafter on every January first, the handling fee must be renewed or revised by the bureau, in consultation with the director of the Department of Revenue, and based on review of redemption rates for the preceding fiscal year, the availability of funds in the deposit beverage container fund, and other factors. The handling fee may not exceed two cents per container and may not be less than one cent per container. These amounts must remain in effect until amended by an act of the General Assembly.

Section 44‑97‑200. For every redeemed deposit beverage container received by a certified processor from a certified redemption center in accordance with rules and regulations prescribed by the bureau, the Department of Revenue shall pay to the certified processor an administrative fee equal to two percent of the collective refund values of the deposit beverage containers to defray the certified processor’s costs of complying with the administrative requirements of this program.

Section 44‑97‑210. (A) Beginning April 1, 2017, for every completed redemption‑center transaction, a certified processor shall submit to the Department of Revenue a processor’s invoice for an amount equal to the sum of all of the following:

(1) the total amount of refund values paid by the certified processor to the certified redemption center;

(2) the total amount of handling fees paid by the certified processor to the certified redemption center; and

(3) the total amount of administrative fees due to the certified processor pursuant to Section 44‑97‑200.

(B) The processor’s invoice must be accompanied by supporting documentation that must include, but not be limited to:

(1) a copy of the transaction receipt prepared by the certified processor;

(2) a copy of the shipping report prepared by the certified redemption center; and

(3) where applicable, a printout of any electronic transaction logs.

(C) A certified processor may submit multiple invoices at once, provided that the required information and documentation are submitted for each separate redemption center transaction and that every redemption center transaction is invoiced within thirty days.

(D) Payment must be made by the Department of Revenue within ten business days of receipt and approval of an invoice and accompanying documentation.

Section 44‑97‑220. Deposit beverage distributors, certified redemption centers, and certified processors shall, upon request, and under penalty of perjury, make their records available for inspection by the Department of Revenue and the Department of Health and Environmental Control, duly authorized agents of these departments, the Comptroller General, or the auditor of the Comptroller General.

Section 44‑97‑230. The department, in consultation with the Department of Revenue, shall compile a report on the deposit beverage container program for each fiscal year, except that the first report must be for the period from October 1, 2016, through June 30, 2017. These reports must be delivered to the General Assembly and the Governor on January second following the end of the preceding reporting period. Reports must contain, but may not be limited to:

(1) performance indicators;

(2) revenues and expenditures;

(3) measures of effectiveness, including recycling rates and impacts on litter; and

(4) economic impacts, including numbers of certified redemption centers, number of jobs supported or created, and tonnage, market value, and end uses of recovered materials.

Section 44‑97‑240. (A) The bureau shall convene an advisory committee to assist it in developing any rules needed to implement this chapter. The bureau shall select members of the committee to obtain input on the state level, as well as from representatives of any or all of the following:

(1) counties;

(2) municipalities;

(3) metropolitan areas;

(4) solid waste managers;

(5) dealers;

(6) consumers;

(7) redemption centers;

(8) redemption service providers;

(9) recyclers;

(10) manufacturing end users;

(11) nonprofit organizations;

(12) Keep South Carolina Beautiful;

(13) bottlers;

(14) distributors;

(15) importers; and

(16) others as recommended by the bureau chief.

(B) Members of the committee must be appointed by the bureau chief and serve at the pleasure of the bureau. A simple majority of the committee members constitutes a quorum for the purposes of recommending rules and providing input to the bureau chief.

Section 44‑97‑250. Except as otherwise provided in Section 44‑97‑260, a person who violates a provision of this chapter or a rule adopted pursuant to this chapter must be assessed a civil penalty of no more than ten thousand dollars for each separate offense. Each day of each violation constitutes a separate offense. Action taken to impose or collect the penalty provided for in this section must be made through administrative or civil actions.

Section 44‑97‑260. (A) If the bureau determines that a person has violated or is violating a provision of this chapter, a rule adopted pursuant to this chapter, or any term or condition of a certification or permit issued pursuant to this chapter, the bureau may:

(1) issue a field citation assessing an administrative penalty and ordering corrective action immediately or within a specified time;

(2) issue an order assessing an administrative penalty for any past or current violation;

(3) require compliance immediately or within a specified time; and

(4) commence a civil action in circuit court to seek appropriate relief, including a temporary, preliminary, or permanent injunction against violations of this chapter, the imposition and collection of civil penalties, or other relief.

(B) An order issued pursuant to this section may include a suspension, modification, or revocation of a certification or permit issued pursuant to this chapter and must state with reasonable specificity the nature of the violation.

(C) An order issued pursuant to this chapter becomes final unless the person or persons named in the order request a hearing before the bureau, in writing, and not later than twenty days after the notice of order is served. A penalty imposed pursuant to this chapter becomes due and payable twenty days after the notice of penalty is served, unless the person named therein requests in writing a hearing before the bureau. Whenever a hearing is requested on any penalty imposed pursuant to this chapter, the penalty becomes due and payable upon the issuance of a final order confirming the penalty in whole or in part.

(D) A hearing conducted pursuant to this section must be conducted as a contested case pursuant to the Administrative Procedures Act, compiled in Chapter 23, Title 1. If, after a hearing held pursuant to this section, the bureau finds that a violation or violations have occurred, the bureau shall:

(1) affirm or modify any penalties imposed or modify or affirm the order previously issued; or

(2) issue an appropriate order or orders for the prevention, abatement, or control of the violation involved, or for the taking of other corrective action as may be appropriate.

(E) If, after a hearing on an order or penalty contained in a notice, the bureau finds that a violation has not occurred, it shall rescind the order or penalty. An order issued after a hearing may prescribe the date or dates by which the violation or violations must cease and may prescribe timetables for necessary action in preventing, abating, or controlling the violation.

(F) If the amount of a penalty is not paid to the department within thirty days after an order becomes final, the bureau may institute a civil action in the name of the State to collect the final penalty amount. In a proceeding to collect the administrative penalty imposed, the bureau need only show that:

(1) notice was given;

(2) a hearing was held or the time granted for requesting a hearing expired without a request for a hearing;

(3) the administrative penalty was imposed; and

(4) the penalty remains unpaid.

(G) In connection with a hearing held pursuant to this section, the bureau has the power to subpoena the attendance of witnesses and the production of evidence on behalf of all parties.

Section 44‑97‑270. (A) The obligations to accept empty beverage containers and pay the refund value and handling fees for containers described in this chapter apply only to containers originally sold in this State as filled deposit beverage containers.

(B) It is an offense for a person who, during any single transaction, tenders or tries to tender to a certified redemption center more than twenty‑four empty beverage containers that the person knows or has reason to know were not originally sold in this State as filled deposit beverage containers commits a misdemeanor with fines as provided in subsection (D).

(C) A certified redemption center shall conspicuously display a sign in letters that are at least one inch in height with the following information:

‘WARNING: Persons tendering containers for redemption that were not originally purchased in South Carolina may be subject to a fine of the greater of one hundred dollars per container or twenty‑five thousand dollars for each tender.’

(D) A person who violates the provisions of this section is subject to a fine of up to the greater of one hundred dollars for each container or twenty‑five thousand dollars for each tender of more than twenty‑four containers.

(E) The balance of each fine collected pursuant to this section, after deducting court costs, must be placed in the deposit beverage container fund and must remain in the fund to be expended for activities authorized by this chapter; with the exception that, if the violation was detected and reported by a certified redemption center or a certified processor, the fine must be disposed of as follows: fifty percent of the fine must remain in the fund to be expended for activities authorized by this chapter and fifty percent of the fine must be awarded to the certified redemption center or certified processor reporting the violation, as an incentive to be vigilant for and respond to illegal tenders and attempts to otherwise defraud the program.

Section 44‑97‑280. The provisions of this chapter may not be construed to be an appropriation of funds and funds may not be obligated or expended pursuant to this chapter unless funds are specifically appropriated by the annual appropriations act.”

SECTION 3. This act takes effect upon approval by the Governor.

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