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Beverage Containers.

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Beverage Containers: Initiative Statute

Official Title and Summary Prepared by the Attorney General

BEVERAGE CONTAINERS. INITIATIVE STATUTE. Requires that beverage containers sold, or offered for sale, on or after March 1, 1984, have a refund value, established by the distributor, of not less than 5 cents. Requires refund value be indicated on container. Requires that dealers and distributors pay the refund value on return of empty container. Provides for establishment of redemption centers. Provides for handling fees for dealers and redemption centers. Prohibits manufacturer from requiring a deposit from a distributor on a nonrefillable container. Contains definitions, specified exceptions, conditions, and other matters. Provides violation of statute is an infraction punishable by fine. Summary of Legislative Analyst's estimate of net state and local government fiscal impact: Net fiscal effect on state and local governments cannot be determined. Could result in reduced litter cleanup costs, reduced solid waste disposal costs, and an unknown increase or decrease in tax revenue collections. Variables involved are discussed in more depth in Analyst's estimate.

Analysis by the Legislative Analyst

Background:

Beer and carbonated soft drinks are sold to consumers in two different types of containers—those which can be refilled and those which cannot. Most beer and soft drinks sold in California today are packaged in "nonrefillable" glass bottles, cans or plastic bottles.

Currently about 60 percent of the aluminum cans used as beverage containers in California are being collected, crushed and reused in the production of aluminum products. About 40 percent of the glass bottles used to hold beer and soft drinks are of a "refillable" type, and usually are returned to the bottler for reuse. Most the remaining beverage containers are buried in landfills or discarded as litter.

Nine states have adopted laws which require empty beverage containers to be redeemable for cash. In states with deposit laws, the proportion of containers returned to be refilled or reused exceeds 90 percent.

Proposal:

This measure, the Beverage Container Reuse and Recycling Act, would require every empty beer and other malt beverage, mineral water, soda water, and similar carbonated soft drink container to be redeemable for cash, as a means of encouraging consumers to return empty cans and bottles rather than discard them as litter or municipal waste.

Specifically, this measure provides that:

1. Beginning March 1, 1984, every such beverage container sold or offered for sale in California shall have a refund value (when returned empty) of at least 5 cents. While the measure does not specifically so provide, consumers probably would be required to pay this amount as a deposit to the retailer when the consumers purchase the beverage.

2. A consumer who returns an empty container to a retailer that sells the same kind, size, and brand must be paid the refund. (Alternatively, consumers could return the beverage container to a redemption center, as authorized by the measure, and receive a refund.)

3. A retailer, or a redemption center as specified, that returns empty containers to a wholesaler or bottler of

the same kind, size, and brand must be paid the refund, plus a handling fee equal to 20 percent of the refund.

Fiscal Effect:

This measure would have a fiscal effect on both the state and local governments. The net impact of the measure's fiscal effect, however, cannot be determined.

Based on the experience of states with deposit laws, it appears that this measure, if approved by the voters, would result in a significant *increase* in the percentage of empty beverage containers recycled or refilled and, therefore, a significant *decrease* in the percentage of empty beverage containers that are discarded.

The shift in the disposition of empty beverage containers would be accompanied by changes in the behavior of both businesses and individuals, which could affect (1) the amount of litter and solid waste in California, (2) beverage prices, (3) beverage sales, (4) corporate profits, (5) employment, and (6) the average wage levels of workers involved in the production and sale of beer and carbonated soft drinks. As a result, the measure could affect government costs and revenues in numerous ways. These include:

1. **Reduced Litter Cleanup Costs.** Deposit laws in other states have caused reductions of approximately 80 percent in the amount of *beverage container* litter. Estimates of the resulting change in *total* litter range from almost no change to reductions in excess of 30 percent. If this measure is approved, it is likely that governmental agencies would experience some savings in litter cleanup costs.

2. **Reduced Solid Waste Disposal Costs.** Deposit laws in other states also have resulted in an estimated 3- to 4-percent reduction in the amount of municipal solid waste that must be disposed of. Because solid waste disposal services in California are provided by government agencies, as well as by private firms, a reduction in the amount of waste to be disposed of would reduce costs to these agencies. In the short run, a reduction in the volume of waste would result in only moderate savings for government agencies that provide solid waste disposal services, because local solid waste re-

removal systems are sized to handle the current volume of waste and a large portion of the costs of these systems is fixed. In the long term, these agencies could experience significant savings as a result of the reduction in solid wastes requiring disposal.

3. An Increase or Decrease in Tax Revenue Collections. This initiative could change the amount of tax revenues which state and local governments collect, although the overall magnitude of this change—and even its direction (up or down)—is unknown. A change in revenues can be anticipated because the initiative could affect such factors as corporate profits, beverage sales, and beverage-related employment and wage levels. This, in turn, could have an impact on revenue collections from the sales and use tax, the bank and corporation tax, the personal income tax, and the excise tax on beer. Some of these revenue effects are likely to be positive; others are likely to be negative. For example:

- *Sales and use tax revenues* could be reduced if the volume of beverages sold declines. These revenues could also be increased, however, to the extent that beverage prices rise. The effect of the measure on sales and use tax revenues would also depend on whether the deposit paid by consumers on non-refillable bottles and cans is itself subject to tax. The effect of the measure on sales and use tax revenue would further depend on the way in which any

increase or decrease in spending by consumers on beverages is offset by changes in their spending on other taxable and nontaxable commodities.

- *Excise tax revenues* from the sale of beer would decline if the volume of beer sales declines as a result of the measure.
- *Bank and corporation profits tax revenues* could decline if the costs incurred by bottlers and retailers increase as a result of the measure and the increase is not offset by higher prices charged to consumers.
- *Personal income tax collections* could decline to the extent that proprietors' incomes fall, or more lower-wage and fewer higher-wage workers are employed in the manufacturing, distribution, and retailing of beverages. Personal income tax revenues could also increase, however, if total beverage-related employment and wages paid rise significantly due to an increase in the demand for retail and beverage transportation workers.

Experience with mandatory deposit laws in other states does not yield conclusive evidence regarding the ongoing impact of these laws on those key economic variables that affect government revenues. Therefore, it is not possible to predict with any reliability what the net effect of this measure would be on state and local government revenues in California.

Text of Proposed Law

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8 of the Constitution.

This initiative measure proposes to add new provisions to the law. Therefore, the new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

An act to add Division 12.1 (commencing with Section 14500) to the Public Resources Code, relating to beverage containers.

DIVISION 12.1. BEVERAGE CONTAINER REUSE AND RECYCLING

CHAPTER 1. GENERAL PROVISIONS

14500. This division shall be known and may be cited as the Beverage Container Reuse and Recycling Act.

14501. The people of the State of California find and declare as follows:

(a) The failure to reuse and recycle empty beverage containers represents a significant and unnecessary waste of important state and national energy and material resources.

(b) The littering of empty beverage containers constitutes a public nuisance, safety hazard, and esthetic blight and imposes upon public and private agencies unnecessary costs for the collection and removal of such containers.

(c) Empty beverage containers constitute a significant and rapidly growing proportion of municipal solid waste, disposal of which imposes a severe financial burden on local governments.

(d) The reuse and recycling of empty beverage containers would eliminate these unnecessary burdens on individuals, local governments, and the environment.

(e) A system for requiring a refund value on the sale of all beverage containers would result in a high level of reuse and recycling of such containers.

(f) A system for requiring a refund value on the sale of all beverage containers would result in significant energy conservation and resource recovery.

(g) A system for requiring a refund value on the sale of all beverage containers would be anti-inflationary and help create jobs in areas of commerce.

(h) A system for requiring a refund value on the sale of all beverage containers would be inexpensive to administer because of its self-enforcing nature.

14502. Unless the context otherwise requires, the following definitions shall govern the construction of this division:

(a) "Beverage" means beer and other malt beverages, mineral waters, soda water, and similar carbonated soft drinks in liquid form and intended for human consumption.

(b) "Beverage container" means the individual, separate bottle, can, jar, carton, or other receptacle, however denominated, in which a beverage is sold, and which is constructed of metal, glass, plastic, or any combination of such materials. "Beverage container" does not include cups and other similar open or loosely sealed receptacles that are primarily for use on the premises of the seller.

(c) "Consumer" means every person who purchases a beverage in a beverage container for use or consumption, and every person not a distributor who lawfully comes into possession of a beverage container, whether or not filled with a beverage, including, but not limited to, lodging, eating, or drinking establishments.

(d) "Dealer" means every person in this state who engages in the sale of beverages in beverage containers to a consumer, excepting a person who sells beverages through a vending machine to the extent of those beverages actually sold through the machine.

(e) "Distributor" means every person who engages in the sale of beverages in beverage containers to a dealer in this state, including any beverage manufacturer who engages in such sales.

(f) "Empty beverage container" means a beverage container which is all of the following:

(1) Has the seal installed by the beverage manufacturer broken or removed.

(2) Does not contain foreign materials other than the residue of the beverage filled into the beverage container by the beverage manufacturer.

(3) Bears the refund value embossing or affixed device required pursuant to Section 14511.

(4) If made of glass or plastic, is unbroken.

(g) "Manufacturer" means any person who bottles, cans, or otherwise fills beverage containers for sale to distributors or dealers.

(h) "Non-refillable beverage container" means a container which would not ordinarily be returned to the manufacturer to be refilled and resold.

(i) "Place of business of the dealer" means the location at which a dealer sells or offers for sale beverages in beverage containers to consumers. "Place of business of a dealer" does not mean the location of a vending machine which dispenses beverages in beverage containers.

(j) "Redemption center" means an operation which accepts from consumers, and pays the refund value for, beverage containers.

(k) "Use or consumption" includes the exercise of any right or power over a beverage incidental to the ownership thereof, other than the sale or the keeping or retention of a beverage for the purposes of sale.

14503. The provisions of this division are a matter of statewide interest and concern and are applicable uniformly throughout the state, and it is the intention of this act to occupy the whole field of regulation of refund value of

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Argument in Favor of Proposition 11

IT WORKS IN OTHER STATES

Proposition 11 makes all beer and soft drink containers returnable for a minimum 5¢ refund. It will reduce waste and clean up California's litter problem without creating government bureaucracy.

Similar measures have been passed in New York, Michigan, Oregon, Massachusetts, Connecticut, Iowa, Maine, Delaware, and Vermont. They have been popular and effective. Ninety percent of containers are returned to be reused or recycled.

CLEAN UP LITTER

This initiative gives everyone a simple way to clean up the ugly litter that is ruining the beauty of California.

Every single minute in California we throw away nearly 13,000 beer and soft drink containers. Many of these become broken glass on our streets, roadsides, and beaches, causing serious injuries and doctor bills. Too many children have sliced their bare feet on throwaway litter!

The 5¢ deposit is an incentive not to litter in the first place. It is also an incentive for citizens to clean up after themselves. It will eliminate 80 percent of container litter.

REDUCE TRASH

This proposal will reduce trash. That's important because cities are running out of dump sites and trash disposal is the second most costly municipal service.

SAVE TAX DOLLARS

Litter increases in California every year, and so does the huge tax bill to clean it up. Last year the State Department of Transportation alone spent \$13 million just to clean up the litter on our highways. The total tax bill for litter cleanup is more than \$100 million a year. States with refundable deposit laws have saved much of this expense.

CONSERVE ENERGY AND NATURAL RESOURCES

Wasting precious energy and resources is very expensive. Proposition 11 will save California the energy equivalent of 100 million gallons of oil every year. It will also save glass, aluminum, steel, plastic,

and, importantly, water, according to objective studies by various government agencies.

SAVE CONSUMERS MONEY

Most consumers have had some experience with returnables. At one time all beer and soft drink containers were returnable, and some still are. Consumers who compare prices know that beverages in refillable deposit bottles are much less expensive than in throwaways. In the long run, Proposition 11 will save consumers millions of dollars.

CREATE MORE JOBS

A returnable system means thousands of productive new jobs for Californians. There will be new jobs for grocery clerks, truck drivers, and recyclers.

WHO ARE THE OPPONENTS?

Opponents of Proposition 11 are mainly the large industries who make more money by selling wasteful throwaway containers. They claim that all kinds of undesirable things will happen to our state if Proposition 11 passes. But they made the same charges in other states where this proposal has passed, and what has been the actual result? As reported in *Time* magazine, "Despite dire predictions, the experience of the states that enacted them shows clearly that 'bottle' bills work."

California is a beautiful state. That is an important reason that we live here. We can make it cleaner, keep it cleaner, and be less wasteful by voting "yes" on Proposition 11.

RICHARD B. SPOHN

Director, California Department of Consumer Affairs

CHRIS ADAMS

*President, California State PTA
(Parent-Teacher Association)*

D. BILL HENDERSON

*Secretary-Treasurer, Southwestern States Council of the
United Food and Commercial Workers, AFL/CIO
(formerly the Retail Clerks Union)*

Rebuttal to Argument in Favor of Proposition 11

A WORTHWHILE IDEA . . . A BAD LAW

Proposition 11 is well intentioned but creates more problems than it solves. We urge you to vote "NO."

The problem is caused by a very few people with bad manners. Wasting consumers' money just won't solve the problem.

THE TRUTH ABOUT OREGON

A Portland Oregonian article said, "The truth is, Oregon does not lead the nation in recycling."

California already has a recycling industry, which has more than 900 self-supporting recycling operations.

THE TRUTH ABOUT MICHIGAN

Detroit's major daily newspaper reported the Forced Deposit Law caused prices to increase as much as \$2.40 per case, plus deposits. Beverage truck gasoline increased 4.38 million gallons annually, and a Michigan Legislature study showed total litter actually increased, despite the huge cost and inconvenience to consumers.

WHAT ECONOMISTS SAY

Economist Sylvia Porter reports, "The increased costs incurred by beverage retailers and wholesalers for handling, sorting, transporting, and washing empties are passed on—and the pass-throughs stop at the consumer."

PROPOSITION 11 WILL PUNISH EVERYONE

Proposition 11 will be a major annoyance for consumers, who must store containers in their home or apartment, carry them into stores that sell the same brands, and wait in long lines at checkout counters.

WRONG SOLUTION

Here's what KNBC-TV decided about Proposition 11:

"Every store and supermarket selling beverages will have to buy empties back, store them all dirty, sticky and smelly for later collection . . . The bottle bill, we fear, is a well-intentioned mistake."

Please vote "NO" on Proposition 11.

CASS ALVIN

Member, State Solid Waste Management Board

BARBARA KEATING-EDH

*President, Consumer Alert
Captain, President's Transition Team
Consumer Product Safety Commission*

JOHN HAY

*Executive Vice President
California Chamber of Commerce*

Argument Against Proposition 11

If Proposition 11 were as simple and beneficial as the supporters suggest, we would support Proposition 11 enthusiastically.

But we urge you to read the fine print. We're convinced you will then vote "NO" on Proposition 11.

Experience in other states shows Proposition 11 will *increase prices, destroy existing voluntary recycling programs, increase the use of fuel and water, lose jobs* in manufacturing industries, and create *sanitation problems* in food stores.

It just doesn't make sense to punish all Californians because of the thoughtlessness of a few people.

Like many well-intentioned propositions, this initiative goes too far, costs too much, and creates more problems than it would solve.

The Chapman College Center for Economic Research estimates Proposition 11 could:

- INCREASE CONSUMER COSTS of beverages by over \$319 million per year;
- RAISE PRICES of beer or soft drinks by as much as \$1.44 per case;
- INCREASE WATER USE in California by as much as one billion gallons per year;
- INCREASE GASOLINE USE by 17 million gallons per year.

There is a hidden handling fee in Proposition 11 of 20 percent of deposits. THIS FEE—A KIND OF HIDDEN TAX—WOULD ADD AT LEAST \$110 MILLION TO COSTS EACH YEAR.

In states with a forced deposit law, *prices have increased* substantially. Sales have dropped or slewed in these states, resulting in *excise tax losses*.

In California the state and federal revenue *loss could be over \$8 million* per year. Consumers will pay for this loss through higher sales taxes from higher beverage prices.

The existing California recycling system now reclaims over 55 percent of aluminum cans and over 500 million beverage bottles yearly. *California already leads the nation in voluntary recycling*, and this recycling is increasing steadily.

This proposition would seriously damage California's existing recycling programs and deprive charity groups and private recyclers of their most important resource.

Grocers are concerned about *sanitation problems* from beverage residue that Proposition 11 could create. Filthy returned cans and bottles—*over 11 billion* a year—don't belong in grocery stores, where our food is stored and sold.

Sanitation problems in other states with similar laws have caused increased use of *chemical sprays* in grocery stores to combat rodents and insects.

Beverage containers are only about 5 percent of total waste. To deal with such a small percent of waste at an annual cost of over \$319 million—plus sales taxes—is a very *bad deal for taxpayers*.

We admire the goals of Proposition 11, but the proponents have not weighed the full cost of this initiative against the very limited benefits it might produce.

We support a better approach: enforcement of existing laws, education programs for young people, and support for the existing voluntary recycling system. *All of us could support such a proposal*. Unfortunately, Proposition 11 does none of these.

Proposition 11 is a misleading and costly law that would inconvenience and punish all Californians because of the bad habits of a few people.

We urge you to vote "NO" on Proposition 11.

BARBARA KEATING-EDH
*President, Consumer Alert
Captain, President's Transition Team
Consumer Product Safety Commission*

DONALD BEAVER
President, California Grocers Association

GARY PETERSON
*Cofounder, California Resource Recovery Association
President, Ecolohaul Recyclers*

Rebuttal to Argument Against Proposition 11

The so-called Chapman College study that provided statistics for the opponents' argument was paid for by large out-of-state companies such as Miller Brewing in Wisconsin and Pepsi Cola in New York.

The *Los Angeles Times* has termed these companies and their allies the "Litter Lobby."

Statements in their argument are intended to confuse voters and they require clear answers.

Prices

A price study shows that *average beverage prices paid by consumers are lower* in four of the five "bottle bill" states surveyed than in neighboring states.

Recycling

States with programs such as Proposition 11 have the *highest recycling rates in the country*, higher than California.

The California Resource Recovery Association (community recyclers) overwhelmingly supports Proposition 11.

Litter and Waste

A recent study reports that *one-third of litter is beer and soft drink containers*. Proposition 11 would eliminate 80 percent of this.

The 5 percent of *total waste* saved by Proposition 11 would be more than *one million tons each year*.

Fuel and Water

Our opponents isolate particular stages in the container manufacturing and distribution system and use them out of context. *For the whole system, every study shows fuel and water savings*.

Sanitation

Only a small number of sanitation problems have been reported by inspection agencies in states with returnable systems.

Jobs

Every study shows a net gain. A report by the California Public Interest Research Group predicts a *gain of 4,780 jobs* from Proposition 11.

Time magazine says: "Bottle bills clearly work."
Please vote "yes" on Proposition 11.

RICHARD SPOHN
Director, California Department of Consumer Affairs

CHRIS ADAMS
*President, California State PTA
(Parent-Teacher Association)*

D. BILL HENDERSON
*Secretary-Treasurer, Southwestern States Council of the
United Food and Commercial Workers, AFL/CIO
(formerly the Retail Clerks Union)*

(c) All money deposited in the fund which has been derived from premium and accrued interest on bonds sold shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

66959. If the value of any land to be purchased by the agency has been substantially reduced by any statute, ordinance, rule, regulation, or other order adopted after January 1, 1980, by state or local government for the purpose of protecting water quality or other resources in the region, the agency may purchase the land for a price it determines would assure fairness to the landowner. In determining the price to be paid for the land, the agency may consider the price which the owner originally paid for the land, any special assessments paid by the landowner, and any other factors the agency determines should be considered to ensure that the landowner receives a fair and reasonable price for the land.

66960. All money deposited in the fund pursuant to any provision of law requiring repayments to the state for assistance financed by the proceeds of the bonds authorized by this title shall be available for transfer to the General Fund. When transferred to the General Fund such money shall be applied as a reimbursement to the General Fund on account of principal and interest on the bonds which has been paid from the General Fund.

66961. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this title, such an amount as will equal the following:

(a) That sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this title, as principal and interest become due and payable.

(b) That sum as is necessary to carry out the provisions of Section 66961, which sum is appropriated without regard to fiscal years.

66962. For the purpose of carrying out the provisions of this title, the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the

purpose of carrying out this title. Any amounts withdrawn shall be deposited in the fund and shall be disbursed by the committee in accordance with this title. Any moneys made available to the committee pursuant to this section shall be returned by the committee to the General Fund, together with interest at the rate then payable on funds deposited in the Pooled Money Investment Fund, from moneys received from the sale of bonds pursuant to the provisions of this title.

66963. The committee may authorize the State Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the Treasurer.

66964. All proceeds from the sale of bonds, except those derived from premiums and accrued interest, shall be available for the purpose provided in Section 66957 but shall not be available for transfer to the General Fund to pay principal and interest on bonds. The money in the fund may be expended only as herein provided.

66965. All proposed appropriations for the programs specified in this title shall be included in a section in the Budget Bill for the 1983-84 and each succeeding fiscal year, for consideration by the Legislature. All appropriations shall be subject to all limitations enacted in the Budget Act and to all fiscal procedures prescribed by law with respect to the expenditures of state funds, unless expressly exempted from such laws by a statute enacted by the Legislature. No funds derived from the bonds authorized by this title may be expended pursuant to an appropriation not contained in such section of the Budget Act.

66966. The agency designated by the Tahoe Area Land Acquisition Commission, or if none is so designated, the California Tahoe Conservancy Agency, shall be deemed the "board" for purposes of Section 10722.

SEC. 2. Section 1 of this act shall become operative January 1, 1983, if the people at the General Election of 1982, or any special statewide election conducted prior to that election, adopt the Lake Tahoe Acquisitions Bond Act as set forth in Section 1 of this act.

Proposition 11 Text: Continued from page 43

beverage containers as provided in this division; and no city or county, or other public agency, may adopt or enforce any ordinance, resolution, regulation, or rule relating to the refund value of beverage containers unless expressly authorized by this division.

CHAPTER 2. REFUND VALUE

14510. (a) Except as provided in subdivision (b), every beverage container sold or offered for sale, on and after March 1, 1984, in this state shall have a refund value established by the distributor of not less than five cents (\$0.05).

(b) The provisions of this section providing for a refund value shall not apply to any container which is sold and delivered to a railroad, sleeping car, or steamship company, or common carrier operating vessels, as defined in Section 238 of the Public Utilities Code, under a certificate of public convenience and necessity, or an air common carrier, for use and consumption on trains, vessels, or airplanes.

14511. On and after March 1, 1984, every beverage container sold or offered for sale in this state shall clearly indicate the refund value of the container established pursuant to Section 14510 by embossing or by a clear and prominent stamp, label, or other device securely affixed to the beverage container.

14512. Except as provided in Section 14513:

(a) A dealer shall not refuse to accept at the place of business of the dealer from any consumer an empty beverage container which is of the same kind, size, and brand sold by the dealer. The dealer shall not refuse to pay to such consumer the refund value which is embossed on, or on the device affixed to, such beverage container pursuant to Section 14511.

(b) A distributor shall not refuse to accept from any dealer any empty beverage container which is of the same kind, size, and brand sold by the distributor. The distributor shall not refuse to pay to such dealer a sum equal to the refund value which is embossed on, or on the device affixed to, such beverage container pursuant to Section 14511, plus a handling fee equal to 20 percent of such refund value.

(c) Any person may establish a redemption center, subject to appropriate state laws and local ordinances, at which location must be clearly posted the kinds, sizes and brands of containers accepted for refund.

(d) A distributor shall not refuse to accept from any redemption center,

other than a dealer, at the location of such center, a quantity in excess of 599 containers of the kinds, sizes, and brands sold by the distributor. The distributor shall not refuse to pay such redemption center, within ten working days, a sum equal to the refund values which are embossed on, or on the devices affixed to, such beverage containers pursuant to Section 14511, plus a handling fee equal to 20 percent of such refund values.

(e) A distributor shall not be required to pay a manufacturer a deposit on a non-refillable beverage container.

14513. (a) A dealer or redemption center may refuse to accept from any consumer, or a distributor may refuse to accept from a dealer or redemption center, any empty beverage container which does not state thereon a refund value of the beverage container as required by Sections 14510 and 14511 or which, if glass or plastic, is broken.

(b) A dealer may establish reasonable hours when a quantity of containers in excess of 48 will be accepted from any one consumer, and may then refuse to accept such quantities during other hours.

CHAPTER 3. VIOLATIONS

14525. Every person convicted of a violation of this division is guilty of an infraction punishable upon a first conviction by a fine not exceeding \$100 and for a second or subsequent conviction by a fine not exceeding \$250.

CHAPTER 4. OPERATIVE DATE

14535. This division shall apply to beverage containers sold or offered for sale in this state on or after March 1, 1984.

CHAPTER 5. AMENDMENT

14540. If any provision of this division or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this division, and to this end, the provisions of this division are severable and independent.

14541. Amendments to this division may be made only by a two-thirds affirmative vote of each house of the Legislature, and may be made only to achieve the objectives of this division.

Proposition 13 Analysis: Continued from page 30

In addition, this section would require that, as a condition of approving any municipal, agricultural, or power project which would result in an adverse impact on instream uses, the board must require the appropriator to offset those adverse impacts. Finally, the measure permits the board to establish standards for instream flow protection to implement its provisions.

• **New Melones Reservoir.** This section would restrict the amount of water that may be stored behind the Federal New Melones Dam on the Stanislaus River. With four specified exceptions, this section provides

that no water may be stored at New Melones until the Federal Bureau of Reclamation has entered into long-term contracts to sell at least 75 percent of the water supply made available by the project.

The measure also seeks to revise the congressionally authorized pricing of water from the New Melones Project. The current practice of the Federal Bureau of Reclamation is to pool the costs and revenues of the water and power from New Melones with the costs and revenues from all other facilities of the Federal Central Valley Project (CVP). This section would prohibit those entities subject to state law from entering into a