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# A better bottle bill

***State could tap a new revenue source in a time of need***

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*Albany can't close an $11.5 billion budget gap one nickel at a time, but there are proposals now buried in the legislative process that might at least ease the pain or save some endangered state programs. In the nickels that accumulate each year from unclaimed bottle deposits, New York State might find a well of relief.*

Legislature committees are considering measures to double the bottle deposit to a dime, expand the mandate to include not only soft drinks and beer but also bottled waters, teas and other drinks, or simply allow the state to claim the $85 million to $137 million per year in unclaimed bottle deposits now kept by bottlers and distributors.

The drawback would be higher consumer prices, as the beverage industry makes up for the nickels it loses to the state. The potential benefits outweigh that disadvantage.

In a time of deep state budget cuts, extra revenue in the $100 million range could be used to narrow the deficit, restore funding for education or other programs cut from the governor's budget proposal, or be more narrowly targeted to help ease the financial burden on municipalities paying for recycling programs.

The idea is not new. Former Gov. Mario Cuomo unsuccessfully tried for years to tap the unclaimed deposits. A state commission he appointed backed that idea in 1990, but the measure always has been opposed by a powerful industry lobby. This page has supported the concept since 1989.

The bottle bill, more formally titled the Returnable Container Act, took effect in 1983. Its primary intent was to encourage recycling and reduce litter, and it had immediate success. Bottle redemption rates in 1984-85 were near 80 percent statewide, and 90 percent upstate. The measure created jobs, reduced energy consumption, eased roadside litter problems and encouraged conservation and material reuse.

Retailers got a handling fee, and the law let industry keep the balance of the unclaimed deposits to help pay for the mandated system. That amount was not only higher than expected, but it has grown as redemption rates have decreased. Now, only about two-thirds of recyclable bottles are redeemed by New York consumers.

Industry claims the proposed changes inevitably would raise prices and hurt consumers. And it objects to the state taking any of the unclaimed bottle fees, calling that a "hidden tax" that also would be passed on to consumers.

There are indeed costs associated with the redemption program. But a Rockefeller Institute of Government study done in 1985, soon after the law took effect, put those costs far below the nickel level - .14 cents per soft drink container and 1.52 cents per beer bottle, at the time. In that light, unclaimed bottle deposits - truly owned by the consumer, not the bottler - are more a hidden subsidy than a hidden tax. In any event, an updated cost study could give Albany a basis for splitting the unclaimed deposit account, producing some state revenue while helping the industry cover the costs of the state mandate.

Everybody, the governor and lawmakers say, will have to absorb some of the hit from the current fiscal crisis. Unless there are politically hidden exemptions, the bottling and beverage distribution industry should expect to swallow some of the pain.