

THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE DEPARTMENT

STATE HOUSE • ROOM 271  
BOSTON, MASSACHUSETTS 02133  
TEL: (617) 725-4030 • FAX: (617) 727-8290

DEVAL L. PATRICK  
GOVERNOR

ATTACHMENT J

July 12, 2013

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution, I am returning to you for amendment Section 207 of House Bill No. 3538, "An Act Making Appropriations for the Fiscal Year 2014 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

Section 207 directs the Department of Revenue and the Department of Energy Resources to prepare a report examining what steps would be required if the Commonwealth's taxation of sales of gasoline is broadened to include taxation of sales of all carbon-based fuels. I support the purposes of this section and acknowledge the merits of performing such a study. But I also strongly believe that, where simple and sensible measures to mitigate environmental harm are available, it is incumbent upon us to adopt them.

To this end, I propose modifying Section 207 so that it includes both the carbon tax study and the bottle bill amendments that will increase recycling and reduce waste. Since enactment of the original bottle bill in 1982, the beverage market has changed, with bottled water, fruit drinks, iced tea and sports drinks now being some of the most popular choices available. However, these non-carbonated beverages are not covered by the law and often end up in landfills or along the side of the road.

Revising the definition of “beverages” will bring the statute up to date and will yield tangible environmental benefits. Under the proposed changes, consumers will be required to pay an additional \$0.05 cents on water, flavored waters, iced teas, coffee based drinks and sports drinks, and the amounts paid for deposits for expanded beverages will be returned to consumers if they return the empty bottles for recycling. By adopting these changes, the state will collect at least \$22 million in additional revenues next year, allowing for \$3 million in investments in state recycling coordination and redemption efforts.

For these reasons, I recommend that Section 207 be amended by striking out the text and inserting in place thereof the following text:-

#### SECTION 207.

- A. Section 321 of chapter 94 of the General Laws, as appearing in the 2012 Official Edition, is hereby amended by striking out the definitions of “Beverage” and “Beverage container” and inserting in place thereof the following 2 definitions:-

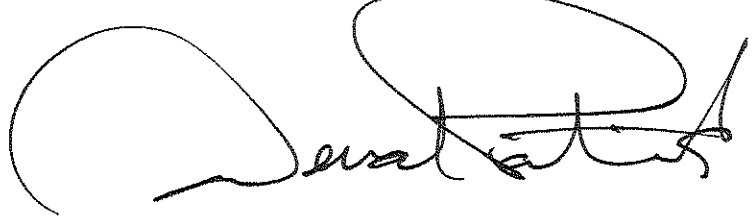
“Beverage”, soda water or similar carbonated soft drinks; beer and other malt beverages; non-carbonated soft drinks including but not limited to mineral water, flavored and unflavored water, spring water, fruit drinks, juice, sports drinks and other water beverages, coffee and coffee-based drinks; and all other non-alcoholic carbonated and noncarbonated drinks in liquid form intended for human consumption except milk and beverages that are primarily derived from dairy products, infant formula, and FDA-approved medicines; but shall not include alcoholic beverages other than beer and malt beverages as defined in chapter 138 or wine.

“Beverage container”, any sealable bottle, can, jar or carton which is primarily composed of glass, metal, plastic or any combination of those materials and is produced for the purpose of containing a beverage, including containers of 2 gallons capacity or less for carbonated and malt beverages and less

than 1 gallon for noncarbonated beverages. This definition shall not include containers made of biodegradable material.

- B. The commissioner of revenue, in consultation with the commissioner of energy resources, shall file a report not later than December 1, 2013, regarding any statutory, regulatory and administrative changes, arrangements and calculations that may be required if the commonwealth's taxation of sales of gasoline is broadened to include taxation of sales of all carbon-based fuels. The report shall be filed with the joint committee on revenue, the joint committee on environment, natural resources and agriculture and the house and senate committees on ways and means.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sevatar", is written over the text "Respectfully submitted,".