Bottle Bills: Why They're the Wrong Approach for Recycling and Equity

Summary

Recent analysis shows that bottle bills in ten states result in over **$900 million per year in unclaimed consumer deposits** ("escheats"), funds that rarely support recycling infrastructure or offset costs for local recycling programs. Instead, bottle bills function as a regressive tax, disproportionately impacting low-income families, and create unnecessary barriers to recycling that undermine existing curbside programs.

Discussion

1. Bottle Bills Are a Regressive Tax

- Bottle bills require the public to pay a deposit on beverage containers, reimbursed only if returned to a redemption center.
- Studies show that lower income individuals are more likely to drink bottled water,[1] soda and other sugary drinks,[2] which are among the beverages most often covered by Bottle Bills.[3]
- For many, especially low-income families, the inconvenience and cost of returning containers means deposits are often forfeited.
- In ten bottle bill states, **36% of deposits – more than $900 million annually**, don't get refunded. This is money taken from the public, disproportionately from those with fewer transportation options and the least ability to take time off work to reach redemption centers

2. Inconvenience Drives Escheats and Reduces Redemption

- Redemption rates drop sharply when centers are far from the public or have limited hours.
- Recent closures of redemption centers due to inadequate handling fees have made it even harder for the public to reclaim deposits.
- Returning bottles is far less convenient than purchasing them. Most people prefer curbside recycling, which is available at their homes and does not require extra trips.

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[1] "Unequal Trust: Bottled Water Consumption, Distrust in Tap Water, and Economic and Racial Inequality in the U.S." (Jaffee, WIREs Water, 2023)

[2] "Who Drinks Soda and Soft Drinks? The Economic Status of Adult Soda Consumers" (Zagorsky & Smith, Econ Hum Biol, 2018)

[3] Bottle Bill Escheats Summary Report (National Waste & Recycling Association, 2025)

3. Bottle Bills Undermine Curbside Recycling and MRFs

- Only two states (California and Hawaii) allow containers collected in curbside recycling programs to be redeemed for deposit. In all other states, deposits on curbside-collected containers processed at Material Recovery Facilities (MRFs) become escheats, not available to offset MRF costs.
- Bottle bills remove valuable materials (like aluminum and PET) from the curbside stream, reducing MRF revenues and increasing reliance on municipal fees. This shifts costs to local governments and taxpayers.

4. Escheats Should Support Recycling Infrastructure, Not State General Funds or Distributors

- Most states do not direct escheats to support recycling programs. Instead, funds are diverted to state general funds or kept by distributors, with little accountability or benefit to recycling infrastructure.
- Bottle bills should require that unclaimed deposits be used to support recycling services, public education, and market development for recycled materials. MRFs should be allowed to claim escheats for containers they process from curbside programs.

5. Bottle Bills Are Outdated and Duplicative

- Bottle bills were designed before the widespread adoption of curbside recycling. Today, curbside programs are the most convenient and effective way for the public to recycle beverage containers.
- New bottle bills are duplicative, undermine existing recycling infrastructure, and create unnecessary complexity for the public and local governments.