

MEMORANDUM TO CLIENTS AND FRIENDS
October 25, 2004
Amendments to Provisions for Proper Management of Used Oil

Act 278 of 2004, effective on September 14, 2004, amends the Used Oil Act (Act 172 of 1996) to require importers, in addition to manufacturers and refiners of lubricating oil, to pay to the P.R. Treasury Department a 50 cents deposit for each quart of lubricating oil imported into, manufactured or refined in Puerto Rico. The deposit must be paid prior to its distribution for sale. These entities are authorized to charge a 50 cents deposit for each quart of lubricating oil sold by them in Puerto Rico.

Consumers may recover their deposit upon submission of a certified receipt to the vendor evidencing that the consumer delivered the used oil to an authorized collection center within 120 days from the date of purchase of the lubricating oil. Upon return of the deposit to the consumer, each entity in the chain which paid the deposit is entitled to recover it following the procedures set forth in Act 278.

Act 278 also imposes a fee for disposal of used oil on manufacturers and refiners of lubricating oil. This fee previously applied only to importers and wholesalers of lubricating oil. Under Act 278, any importer, wholesaler, manufacturer or refiner of lubricating oil shall pay to the P.R. Treasury Department a fee of 25 cents per quart of lubricating oil, or a fee of 60 cents per gallon of bulk or semi-bulk lubricating oil, whether imported, made or refined in Puerto Rico. The fees shall be paid by the importer upon arrival of the lubricating oil in Puerto Rico and, in the case of manufacturers and refiners, prior to distribution or retail sale of the oil. Act 278 authorizes importers, manufacturers, refiners, distributors and retailers of lubricating oil to pass this fee on to consumers.

Should you have any questions or wish additional information concerning this matter, please contact any of the attorneys in our Environmental and Land Use Practice Group, listed below:

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