

SENATE BILL NO. 779

February 05, 2020, Introduced by Senator MCBROOM and referred to the Committee on Natural Resources.

A bill to amend 1976 IL 1, entitled

"A petition to initiate legislation to provide for the use of returnable containers for soft drinks, soda water, carbonated natural or mineral water, other nonalcoholic carbonated drink, and for beer, ale, or other malt drink of whatever alcoholic content, and for certain other beverage containers; to provide for the use of unredeemed bottle deposits; to prescribe the powers and duties of certain state agencies and officials; and to prescribe penalties and provide remedies,"

by amending sections 3a, 3b, and 3c (MCL 445.573a, 445.573b, and 445.573c), section 3a as added by 1989 PA 148, section 3b as amended by 1998 PA 473, and section 3c as amended by 1996 PA 384.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3a. ~~(1) Not later than March 1, 1991 and not later than~~
 2 March 1 of each year, ~~thereafter,~~ a distributor or manufacturer ~~who~~
 3 **that** originates a deposit on a ~~beverage container~~ **1 or more**
 4 **beverage containers** shall file a report with the department of
 5 treasury ~~containing the information required by subsection (2).~~ **in**
 6 **the form prescribed by that department.**

7 ~~(2) The report required to be filed pursuant to subsection (1)~~
 8 shall indicate, for the ~~period of January 1, 1990 to December 31,~~
 9 ~~1990, and for the time period of January 1 to December 31 of each~~
 10 ~~year thereafter,~~ **the preceding year,** the dollar value of both the
 11 total deposits collected by the distributor or manufacturer on
 12 beverage containers sold within this state and total refunds made
 13 upon beverage containers redeemed by the distributor or
 14 manufacturer within this state.

15 ~~(3) The reports required to be filed pursuant to subsection~~
 16 ~~(1) shall be similar to the following and contain the following~~
 17 ~~information:~~

REPORT

~~DEPOSITS ORIGINATED AND REFUNDS GRANTED~~

~~ON BEVERAGE CONTAINERS~~

Reporting Period: _____

Company Name: _____

Company Address: _____

~~Number and Street~~

~~City, State, Zip~~

\$ _____ - \$ _____ = \$ _____

~~(Value of Deposits (Value of Refunds Made) (Difference)~~

~~_____ Originated)~~
~~\$ _____ - \$ _____ - \$ _____~~
~~_____ (Difference) _____ (Overredemption Credit, _____ (Amount Owed to~~
~~_____ if Applicable) _____ Department of~~
~~_____ Treasury)~~

~~The undersigned states that the above information is true and~~
~~accurate.~~

~~_____~~
~~Signature - Owner or President~~

~~_____~~
~~Date~~

Sec. 3b. (1) The department of treasury may audit, assess, and
 collect the amount of money reflecting unclaimed bottle deposits
 owed to this state **by underredeemers, pay refunds to overredeemers,**
 and enforce the obligation to pay the amount of money reflecting
 unclaimed bottle deposits owed to this state, in the same manner as
 revenues and according to the provisions of 1941 PA 122, MCL 205.1
 to 205.31.

~~(2) Not later than March 1, 1991 and~~ **Subject to subsection**
~~(4),~~ not later than March 1 of each year, thereafter, an
 underredeemer shall pay to the department of treasury ~~that an~~
amount that is equal to the amount of money by which its annual ~~the~~
 total value of deposits ~~exceeds its annual~~ **it collected in the**
preceding year exceeds the total value of refunds **it** made on
 redeemed beverage containers ~~, subject to the overredemption credit~~
~~contained in this section.~~ **in the preceding year.**

~~(3) After March 1, 1991, an underredeemer who becomes an~~
~~overredeemer in a subsequent year may credit the value of the~~
~~overredemption in order to reduce the amount of money owed to the~~

~~department of treasury under this section in 1 or more subsequent years as a result of that person again becoming an underredeemer. The value of the overredemption may be carried forward for not more than 3 years or until the credit granted in this section is completely depleted, whichever occurs first.~~

~~(4) A manufacturer who no longer originates deposits may carry the value of an overredemption back for prior years in order to utilize its credit, and reduce the amount of underredemption owed to the department of treasury under this section on a 1-time basis only. Utilization of this 1-time credit may be applied against underredemption amounts owed for reporting years commencing in 1990.~~

~~(5) As used in this section:~~

~~(a) "Overredeemer" means a distributor or manufacturer whose annual total value of deposits collected on beverage containers sold within this state is less than the annual total value of refunds made upon beverage containers redeemed within this state.~~

~~(b) "Underredeemer" means a distributor or manufacturer whose annual total value of deposits collected on beverage containers sold within this state exceeds annual total value of refunds made upon beverage containers redeemed within this state.~~

(3) Subject to subsection (4), not later than March 1 of each year, the department of treasury shall pay an overredeemer a refund in an amount that is equal to the amount by which the total value of refunds it made in the preceding year exceeds the total value of deposits it collected in the preceding year.

(4) If a distributor or manufacturer is an overredeemer in a calendar quarter, the overredeemer may request a refund from the department of treasury for that quarter in an amount that is equal

1 to the amount by which the total value of refunds it made in that
2 quarter exceeds the total value of deposits it collected in that
3 quarter. An overredeemer may request a refund under this subsection
4 by submitting a report, in the form prescribed by the department of
5 treasury, not more than 30 days after the end of the calendar
6 quarter for which the overredeemer is requesting the refund, and
7 the department shall pay the refund not more than 30 days after it
8 receives the report. A distributor or manufacturer shall include a
9 refund it was paid under this subsection for a calendar quarter in
10 the report under section 3a for the year that includes that quarter
11 for the purpose of determining whether the distributor or
12 manufacturer was an overredeemer or an underredeemer for that
13 entire year.

14 (5) ~~(6)~~—In addition to the report prescribed in section 3a, if
15 an underredeemer purchases empty returnable containers from an
16 overredeemer, that purchase shall be reported by the underredeemer
17 as a "refund made" and shall be reported by the overredeemer as a
18 "deposit originated" in the report prescribed by section 3a. The
19 report made by an underredeemer shall include the name and address
20 of each overredeemer and the refund value of the empty returnable
21 beverage containers purchased from each overredeemer. The report
22 made by an overredeemer shall include the name and address of each
23 underredeemer who purchased the returnable containers from that
24 overredeemer and the refund value of the empty returnable beverage
25 containers sold. The total consideration paid by an underredeemer
26 to an overredeemer as authorized by this subsection shall equal the
27 redemption value of the container.

28 (6) ~~(7)~~—A purchase or sale made under subsection ~~(6)~~—(5)
29 during January of each year shall be included in the report **under**

1 **section 3a** for the ~~previous~~**preceding** calendar year only.

2 (7) **As used in this section:**

3 (a) **"Overredeemer"** means a distributor or manufacturer whose
4 total value of deposits collected on beverage containers sold
5 within this state in a year is less than the total value of refunds
6 made upon beverage containers redeemed within this state in that
7 year.

8 (b) **"Underredeemer"** means a distributor or manufacturer whose
9 total value of deposits collected on beverage containers sold
10 within this state in a year exceeds the total value of refunds made
11 upon beverage containers redeemed within this state in that year.

12 Sec. 3c. (1) There is created in the department of treasury a
13 bottle deposit fund, which is a revolving fund administered by the
14 department of treasury. **All of the following apply to the bottle**
15 **deposit fund:**

16 (a) **The fund shall consist of money paid to the department of**
17 **treasury by underredeemers under section 3b. The state treasurer**
18 **shall direct the investment of the fund. The state treasurer shall**
19 **credit to the fund interest and earnings from fund investments.**

20 (b) **The department of treasury is the administrator of the**
21 **fund for auditing purposes.**

22 (c) **The money in the ~~bottle deposit~~ fund at the close of the**
23 **fiscal year shall remain in the fund and shall not ~~revert~~ lapse to**
24 **the general fund.**

25 (2) The amount paid to the department of treasury by
26 underredeemers **under section 3b, less any amount refunded by the**
27 **department of treasury to overredeemers under section 3b,** shall be
28 deposited by the department of treasury in the bottle deposit fund
29 created in subsection (1) for annual disbursement by the department

1 of treasury in the following manner:

2 (a) Seventy-five percent to the cleanup and redevelopment
3 trust fund created in section 3e.

4 (b) Twenty-five percent to dealers to be apportioned to each
5 dealer on the basis of the number of empty returnable containers
6 handled by a dealer, as determined by the department of treasury.

7 (3) Not later than June 1 of each year, the department of
8 treasury shall publish and make available to the public information
9 related to section 3b(1) and send a report of that information to
10 the legislature.

11 (4) The department of treasury may promulgate rules to
12 implement sections 3a to 3d ~~pursuant to~~ **under** the administrative
13 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~
14 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws, 1969~~
15 **PA 306, MCL 24.201 to 24.328**, if the department of treasury
16 determines that rules are needed to properly implement and
17 administer sections 3a to 3d.