

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 178**

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



1 that originates a deposit on a ~~beverage container~~ **1 or more**  
2 **beverage containers** shall file a report with the department of  
3 treasury ~~containing the information required by subsection (2)~~ **.in**  
4 **the form prescribed by that department.**

5 ~~(2) The report required to be filed pursuant to subsection (1)~~  
6 ~~shall~~ **must** indicate, for the ~~period of January 1, 1990 to December~~  
7 ~~31, 1990, and for the time period of January 1 to December 31 of~~  
8 ~~each year thereafter,~~ **the preceding year,** the dollar value of ~~both~~  
9 the total deposits collected by the distributor or manufacturer on  
10 beverage containers sold ~~within~~ **in** this state, ~~and the~~ total  
11 refunds made upon beverage containers redeemed by the distributor  
12 or manufacturer ~~within~~ **in** this state, **and any refunds received**  
13 **under section 3b(5).**

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

17 REPORT

18 DEPOSITS ORIGINATED AND REFUNDS GRANTED

19 ON BEVERAGE CONTAINERS

20 Reporting Period: \_\_\_\_\_

21 Company Name: \_\_\_\_\_

22 Company Address: \_\_\_\_\_

23 Number and Street

24 \_\_\_\_\_

25 City, State, Zip

26 \$ \_\_\_\_\_ - \$ \_\_\_\_\_ = \$ \_\_\_\_\_

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

28 ~~\_\_\_\_\_ Originated)~~

29 \$ \_\_\_\_\_ - \$ \_\_\_\_\_ = \$ \_\_\_\_\_





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

5 ~~(4) A manufacturer who no longer originates deposits may carry~~  
 6 ~~the value of an overredemption back for prior years in order to~~  
 7 ~~utilize its credit, and reduce the amount of underredemption owed~~  
 8 ~~to the department of treasury under this section on a 1-time basis~~  
 9 ~~only. Utilization of this 1-time credit may be applied against~~  
 10 ~~underredemption amounts owed for reporting years commencing in~~  
 11 ~~1990.~~

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

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

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

21 **(4) Beginning January 1, 2022, not later than April 1 of each**  
 22 **year, the department of treasury shall pay an overredeemer a refund**  
 23 **in an amount that is equal to the amount by which the total value**  
 24 **of refunds it made in the preceding year to participating customers**  
 25 **exceeds the sum of the total value of deposits it collected in the**  
 26 **preceding year from participating customers and the refunds it**  
 27 **received under subsection (5) in the preceding year.**

28 **(5) Beginning January 1, 2022, if a distributor or**  
 29 **manufacturer is an overredeemer at the end of the first, second, or**



1 third quarter of each year after 2021, the overredeemer may request  
 2 a refund from the department of treasury for that 3-, 6-, or 9-  
 3 month period in an amount that is equal to the amount by which the  
 4 total value of refunds it made in that period to participating  
 5 customers exceeds the sum of the total value of deposits it  
 6 collected in that period from participating customers and any  
 7 refund previously received under this subsection during that  
 8 period. An overredeemer may request a refund under this subsection  
 9 by submitting a report, in the form prescribed by the department of  
 10 treasury, not more than 30 days after the end of the period for  
 11 which the overredeemer is requesting the refund, and the department  
 12 shall pay the refund not more than 30 days after it receives the  
 13 report.

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

29 (7) A purchase or sale made under subsection (6) during



1 January of each year ~~shall~~**must** be included in the report **under**  
 2 **section 3a** for the ~~previous~~**preceding** calendar year only.

3 (8) As used in this section:

4 (a) "Overredeemer" means a distributor or manufacturer whose  
 5 sum of the total value of deposits collected from participating  
 6 customers on beverage containers sold in this state in a specified  
 7 period and the refunds received under subsection (5) in the  
 8 specified period is less than the total value of refunds made to  
 9 participating customers on beverage containers redeemed in this  
 10 state in that specified period.

11 (b) "Participating customer" means a customer from whom a  
 12 distributor or manufacturer collects a deposit under this act on  
 13 every beverage container sold to the customer.

14 (c) "Underredeemer" means a distributor or manufacturer whose  
 15 sum of the total value of deposits collected on beverage containers  
 16 sold in this state in a specified period and the refunds received  
 17 under subsection (5) in the specified period exceeds the total  
 18 value of refunds made upon beverage containers redeemed in this  
 19 state in that specified period.

20 Sec. 3c. (1) There is created in the department of treasury a  
 21 bottle deposit fund, ~~which~~**that** is a revolving fund administered by  
 22 the department of treasury. **All of the following apply to the**  
 23 **bottle deposit fund:**

24 (a) The fund consists of money paid to the department of  
 25 treasury by underredeemers under section 3b. The state treasurer  
 26 shall direct the investment of the fund. The state treasurer shall  
 27 credit to the fund interest and earnings from fund investments.

28 (b) The department of treasury is the administrator of the  
 29 fund for auditing purposes.



1           (c) The money in the ~~bottle deposit fund shall~~ **at the close of**  
 2 **the fiscal year remains in the fund and does** not ~~revert~~ **lapse** to  
 3 the general fund.

4           (2) The amount paid to the department of treasury by  
 5 underredeemers ~~shall~~ **under section 3b, less any amount refunded by**  
 6 **the department of treasury to overredeemers under section 3b, must**  
 7 be deposited by the department of treasury in the bottle deposit  
 8 fund created in subsection (1) for annual disbursement by the  
 9 department of treasury in the following manner:

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

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

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

19           (4) The department of treasury may promulgate rules to  
 20 implement sections 3a to 3d ~~pursuant to~~ **under** the administrative  
 21 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~  
 22 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws, 1969~~  
 23 **PA 306, MCL 24.201 to 24.328**, if the department of treasury  
 24 determines that rules are needed to properly implement and  
 25 administer sections 3a to 3d.

26           Enacting section 1. This amendatory act takes effect January  
 27 1, 2022.

