



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 920 (Substitute S-3 as reported by the Committee of the Whole)
Sponsor: Senator Bill Schuette
Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the beverage container deposit law to require that 75% of the money in the Bottle Deposit Fund be allocated to the Cleanup and Redevelopment Fund (proposed by Senate Bill 919) for fiscal years 1996-97, 1997-98, and 1998-99, rather than to the Michigan Unclaimed Bottle Fund as currently provided. For 1999-2000 through 2008-2009, 75% would have to be deposited in the Long-Term Maintenance Trust Fund. The bill also would delete provisions pertaining to the use of the money in the Unclaimed Bottle Fund, audits of the records of distributors and manufacturers to determine the accuracy of their reports concerning bottle deposits and refunds, and penalties for failure to file the report or for misrepresenting information on the report; and would allow the Department of Treasury to audit and enforce unclaimed bottle deposits according to the revenue Act. The bill would allow a manufacturer that no longer originated deposits to carry the value of an overredemption back for prior years in order to use its overredemption credit, and reduce the amount of underredemption owed to the Department of Treasury for reporting years beginning in 1990. In addition, the bill would delete provisions that require that 1) during the first 10 years of its existence any money received by the Unclaimed Bottle Fund, and interest earned on that money, remain permanently in the Fund, and 2) any money received by the Fund thereafter, plus any interest on that money and any interest on the money deposited during the first 10 years, be disbursed annually according to the provisions in Natural Resources and Environmental Protection Act that established the Fund.

The bill is tie-barred to Senate Bill 919.

MCL 445.573b & 445.573c

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The bill would redirect revenues from the Unclaimed Bottle Deposit Fund to the Cleanup and Redevelopment Fund, and have an indeterminate fiscal impact on State government, depending upon the amount of revenue and the interest rate on State-invested funds.

Assuming the Department of Environmental Quality estimate that \$15 million per year would be diverted from the Bottle Deposit Fund to the Cleanup and Redevelopment Fund, and a 6% rate on State-invested funds, the bill would result in a revenue loss to the State of approximately \$11 million over a 10-year period. This does not include interest earnings due to the State after 10 years that could be generated from the approximately \$220 million balance accumulated by that time.

Date Completed: 5-23-96

Fiscal Analyst: G. Cutler