

Legislative Analysis



REVERSE VENDING MACHINE ACT

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House Bill 5147

Sponsor: Rep. Steve Bieda

Committee: Great Lakes and Environment

Complete to 9-16-08

A SUMMARY OF HOUSE BILL 5147 AS INTRODUCED 8-29-07

"Reverse vending machines" are machines that accept empty returnable beverage containers and issue deposit refunds or refund slips. The bill would create the "Reverse Vending Machine Act" to require reverse vending machines used in Michigan to correctly identify and deny refunds to at least 85 percent of foreign beverage containers placed in them. Foreign beverage containers are ones not stamped or marked with a Michigan deposit refund value for which no cash refund is payable.

Unlawful manufacturer transactions. A reverse vending machine manufacturer (persons who design, manufacture, sell, lease, service, or replace reverse vending machines) could not lease, sell, or transfer a reverse vending machine to a dealer for use in Michigan if the machine does not meet specified requirements.

Unlawful dealer transactions. A Michigan dealer could not replace, lease, or purchase a reverse vending machine that does not meet the specified requirements. (The term "dealer" means persons, including vending machine operators, who sell or offer beverages in airtight containers of one gallon or less to Michigan consumers). If a dealer has more than one Michigan location, the dealer could not move a non-compliant machine from one location to another. A dealer also could not sell a non-compliant machine to another dealer.

Requirements. Reverse vending machines sold or leased for use in Michigan would have to (1) identify, (2) deny a refund to, and (3) capture and destroy at least 85 percent of the foreign containers placed in it for a refund. The machine would also have to provide an accurate printed weekly report containing specified information.

Weekly reports. The machine's weekly report would have to include (1) the number of returnable containers accepted that week; (2) the brand names accepted by the machine; (3) the types and sizes of containers accepted by the machine; and (4) the number of foreign containers captured and destroyed by the reverse vending machine.

Retention of weekly reports. A Michigan dealer would have to (1) retain the original weekly reverse vending machine reports for at least two years; (2) make them available for inspection by distributors that provide the dealer with refunds; and (3) provide copies to such distributors on request.

Inspection of machines and records by law enforcement agencies. Each dealer would have to allow the Department of Treasury and any law enforcement agency, including the attorney general, to inspect the dealer's reverse vending machines and its reports for the purpose of enforcing the act.

Investigation of complaints. The Department of Treasury would investigate complaints it receives alleging violations of the act. If it determines that a violation has occurred, it would have to notify the appropriate law enforcement agency of the violation. Other law enforcement agencies could also investigate violations of the act in their jurisdictions.

Penalties. A violation would be considered a misdemeanor punishable by up to 180 days in prison, a fine of up to \$10,000, or both. In addition, convicted violators would have to make restitution to the state and to any dealer, manufacturer, or distributor for any loss caused by the violation.

Container design modifications and additional marks not required; but statewide mutual agreement concerning redesigns permitted. The bill would not require dealers, distributors, or manufacturers to redesign beverage containers or to place any identifying marks on containers beyond the requirements of the Beverage Container Law (or "Bottle Bill"). The bill would, however, permit a mutual agreement concerning a design modification to containers that would enable reverse vending machines to meet the specified requirements. The mutual agreement concerning container redesign would have to be entered into by all Michigan bottlers and reverse vending machine manufacturers (persons who design, manufacture, sell, lease, service, or replace reverse vending machines).

FISCAL IMPACT:

The bill would have no fiscal impact on the Department of Corrections. The bill's fiscal impact on local correctional systems would depend on how it affected the number of misdemeanor convictions and the severity of sentences. There are no data to indicate how many people might be convicted of violating the bill. To the extent that the bill increased the number of misdemeanor sentences, local costs of jail incarceration or misdemeanor probation supervision, both of which vary by jurisdiction, could increase. Any increase in penal fine revenues could benefit local libraries, which are the constitutionally-designated recipients of those revenues.

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