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BILL



ANALYSIS

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Senate Bills 1392 and 1532 (as enacted)  
Senate Bill 1648 (as enacted)  
House Bill 5147 (as enacted)  
House Bills 6441 and 6442 (as enacted)  
Sponsor: Senator Randy Richardville (S.B. 1392)  
Senator Ron Jelinek (S.B. 1532)  
Senator Cameron S. Brown (S.B. 1648)  
Representative Steve Bieda (H.B. 5147 & 6442)  
Representative Rebekah Warren (H.B. 6441)  
Senate Committee: Commerce and Tourism (S.B. 1392)  
Appropriations (S.B. 1532 & 1648)  
House Committee: Great Lakes and Environment

**PUBLIC ACTS 386 & 389 of 2008**  
**PUBLIC ACT 388 of 2008**  
**PUBLIC ACT 387 of 2008**  
**PUBLIC ACTS 384 & 385 of 2008**

Date Completed: 7-24-09

## **CONTENT**

**House Bill 5147** created the "Reverse Vending Machine Antifraud Act" to establish standards for reverse vending machines (devices designed to identify and process empty beverage containers properly and provide a means for a deposit refund on returnable containers). The standards apply to reverse vending machines (RVMs) in Michigan counties that border another state or in Lower Peninsula counties contiguous with a county that borders another state (collectively referred to below as "border counties"). The bill does the following:

- Prohibits the use, sale, leasing, or transfer of an RVM that does not meet the standards.
- Requires RVMs that process metal beverage containers to meet the standards beginning 360 days after the Act's effective date, and requires RVMs that process glass or plastic beverage containers to meet the standards beginning 720 days after that date.
- Requires RVM manufacturers, within 450 days after the Act's effective date, to begin installing vision technology into a sample of RVMs that process glass and plastic

beverage containers, and testing that technology.

- Provides that the Department of Treasury may not require a dealer or manufacturer to install or update an RVM to meet the standards unless the Department makes money available for that activity under the Beverage Container Redemption Antifraud Act.
- Makes it a felony to alter an RVM in a way that prevents it from meeting the standards, or fraudulently modify RVM data concerning the number of containers accepted.
- Requires the Department to report on the effectiveness of the Acts in reducing the redemption of nonreturnable containers.

**Senate Bill 1648** created the "Beverage Container Redemption Antifraud Act" to require the Department of Treasury to make payments to reverse vending machine manufacturers to retrofit RVMs with vision technology, and to install vision technology in new RVMs acquired by retail beverage dealers to comply with the Reverse Vending Machine Antifraud Act. The bill does the following:



- Limits a manufacturer's payment to the cost of retrofitting or the cost of vision technology or \$5,000, whichever is less.
- Creates the "Beverage Container Redemption Antifraud Fund" and requires it to be used for payments to manufacturers and costs of administration.
- Requires any money remaining in the Fund to be distributed to dealers for the purchase of new RVMs that will be operated in the State.
- Requires dealers to report to the Department.

**Senate Bill 1532** amended the beverage container deposit law to prohibit manufacturers of nonalcoholic and alcoholic beverages from selling a beverage in a 12-ounce metal or glass beverage container or a 20-ounce plastic beverage container that is not a "designated metal container", a "designated glass container", or a "designated plastic container" (which an RVM can determine is or is not a returnable container), depending on the volume of sales of a particular brand of beverage and the extent to which beverage containers of that brand were overredeemed in the previous year, either in the State or in the Upper Peninsula.

**House Bill 6441** amended the beverage container deposit law to:

- Revise the penalties for knowingly returning nonrefundable beverage containers to a dealer for a refund.
- Prescribe penalties for a dealer or distributor who knowingly accepts and pays a deposit for nonreturnable containers.

**Senate Bill 1392** amended the sentencing guidelines in the Code of Criminal Procedure to include the felonies enacted by House Bills 5147 and 6441.

**House Bill 6442** amended the beverage container deposit law to revise a requirement that dealers post a notice of the penalty for returning out-of-State nonreturnable containers.

Senate Bills 1392 and 1648 took effect on December 29, 2008.

Senate Bill 1532 and House Bill 5147 will take effect when at least \$1.0 million is appropriated for deposit into the Beverage Container Redemption Antifraud Fund.

House Bills 6441 and 6442 took effect on March 31, 2009.

Senate Bill 1392 was tie-barred to House Bills 5147 and 6441. Senate Bills 1532 and 1648 and House Bill 5147 all were tie-barred to each other. House Bills 6441 and 6442 were tie-barred to each other and to Senate Bill 1392.

### **House Bill 5147**

#### **RVM Standards**

Beginning 360 days after the effective date of the RVM Antifraud Act, for RVMs that process metal beverage containers, and beginning 720 days after that date for RVMs that process glass or plastic beverage containers, an RVM manufacturer may not lease, sell, or otherwise transfer an RVM for use in any county in Michigan that borders another state, or any county in the Lower Peninsula that is contiguous with a county in Michigan that borders another state, and a dealer may not use an RVM in any of those counties, if the machine does not meet the following standards:

- It identifies at least 85% of appropriately marked and legible designated metal containers, designated glass containers, or designated plastic containers that are or are not returnable containers, and authorizes or provides a refund only for those identified as returnable containers or refuses to provide or authorize a refund for those containers identified as nonreturnable.
- It maintains accurate data concerning the number of beverage containers accepted by that RVM, categorized according to their distributor.

If an RVM manufacturer demonstrates to the satisfaction of the Department of Treasury that material and technical issues prevent the manufacturer from meeting these requirements by the applicable date, the Department may grant an extension of that date of up to 180 days. In the case of glass



or plastic beverage containers, the Department may grant a second extension of up to 180 days, but only if it determines that the manufacturer gave its best effort to meeting the requirements before the end of the first extension.

A dealer or RVM manufacturer will not be considered in violation of these provisions if the Department has not made money available to the manufacturer under the Beverage Container Redemption Antifraud Act to update the dealer's RVMs. A dealer also will not be considered in violation if the dealer is using the RVMs of a manufacturer and those RVMs cannot be retrofitted due to the lack of technology to meet the standards.

("Update" means to install vision technology for designated metal, plastic, or glass beverage containers in an existing, new, or replacement RVM. "Vision technology" means a camera or other scanning device that allows an RVM to determine if beverage containers are returnable containers based on symbols, marks, or other distinguishing characteristics on the containers. "Install vision technology" means to equip an existing, new, or replacement RVM with vision technology for designated metal, plastic, or glass containers, including all reasonable and necessary technology, equipment, hardware, software, and labor, and one year of service directly related to the vision technology by the RVM vendor.

A "designated" container is a 12-ounce metal beverage container, a 12-ounce glass beverage container, or a 20-ounce plastic beverage container that contains a symbol, mark, or other distinguishing characteristic that allows an RVM to determine if the container is or is not a returnable container.

"Beverage container" and "returnable container" mean those terms as defined in the beverage container deposit law.

That law defines "beverage container" as an airtight metal, glass, paper, or plastic container, or a container composed of these materials, that, at the time of sale, contains one gallon or less of a beverage (a soft drink, soda water, carbonated natural or mineral water, or other nonalcoholic carbonated drink; beer, ale, or other malt drink of any alcoholic content; or a mixed wine drink or mixed spirit drink).

"Returnable container" means a beverage container upon which a deposit of at least 10 cents has been paid, or is required to be paid upon the removal of the container from the sale or consumption area, and for which a refund of at least 10 cents in cash is payable by every dealer or distributor in this State of that beverage in beverage containers.)

#### Sample Installation & Testing

Within 450 days after the effective date of the RVM Antifraud Act, reverse vending machine manufacturers must begin installing vision technology into a sufficient sample of RVMs that process glass beverage containers and plastic beverage containers, and conducting testing of that technology in a commercial environment or other testing environment that is substantially similar to a commercial environment.

#### Inspection & Investigation

Each dealer must retain the data described in the RVM standards for at least two years. A dealer also make any of the data concerning brands distributed by a distributor that provides a refund to the dealer under the beverage container deposit law available for inspection by that distributor, and provide copies of the data to the distributor upon request.

Each dealer must allow the Department and any law enforcement agency to inspect the dealer's RVMs and data for the purpose of enforcing the Act.

If the Department receives a complaint of a violation of the Act, it must investigate to determine if a violation has occurred. If the Department determines or discovers that a violation has occurred, it must notify the appropriate law enforcement agency.

#### Altering RVM or Data; Other Violations

The Act prohibits a person from changing, altering, or modifying an RVM used or intended for use in Michigan in a manner designed to prevent it from meeting the standards described above, and prohibits a person from assisting another person's efforts to do so.

The Act also prohibits a person from fraudulently changing, altering, or modifying



data described in the standards or assisting another person's efforts to do so.

A person who violates either of these provisions is guilty of a felony punishable by imprisonment for up to two years or a maximum fine of \$10,000, or both.

Otherwise, a violation of the Act is a misdemeanor punishable by up to 90 days' imprisonment or a maximum fine of \$5,000, or both.

In addition to these penalties, a court must order a person convicted of a violation to make restitution to the State and to any dealer or distributor for any loss caused by the violation.

#### Department Report

Within four years after the Act's effective date, the Department must provide a written report to the Governor, the Senator Majority Leader, and the Speaker of the House of Representatives. The report must include the following:

- A status report concerning the implementation of the Act and the Beverage Container Redemption Antifraud Act.
- The Department's analysis of the Acts' effectiveness in reducing the redemption of nonreturnable containers in Michigan.
- The Department's recommendation concerning whether the RVM standards should be extended to RVMs in areas of the State that are not border counties.
- Any other recommendations the Department may have for changes to the Acts or other legislative action to reduce the redemption of nonreturnable containers in Michigan.

#### **Senate Bill 1648**

##### Payment to RVM Manufacturer

The Beverage Container Redemption Antifraud Act requires the Department of Treasury to pay reverse vending machine manufacturers to retrofit RVMs to comply with the Reverse Vending Machine Antifraud Act. ("Retrofit" means to install vision technology for designated metal, plastic, or glass beverage containers in an existing, new, or replacement RVM.)

A manufacturer that has agreed to retrofit a dealer's RVMs must submit a written application to the Department for payment. A manufacturer may submit an application and receive payment only if the dealer is required to retrofit those RVMs under the Reverse Vending Machine Antifraud Act. An application must contain specified information, including contact information for the manufacturer, the number of RVMs to be retrofitted, the dealer's name and contact information, a copy of the dealer's purchase order for the retrofitting of the machines, the total cost of retrofitting each RVM to install vision technology, the address where the machines will be in operation after they are retrofitted, and signatures of a designated agent of the manufacturer and of the dealer, certifying that the information in the application is correct.

A manufacturer that receives payment under the Beverage Container Redemption Antifraud Act for retrofitting an RVM must accept it as payment in full. When a manufacturer completes retrofitting an RVM at a dealer's location, the manufacturer must give the Department proof, signed by the dealer's agent, that the retrofitting is complete.

The amount of payment a manufacturer may receive for retrofitting a single RVM is the total cost of retrofitting or \$5,000, whichever is less.

The Department may not require that a dealer or manufacturer retrofit an RVM to meet the dealer requirements in Section 7(1) or 9(1) of the RVM Antifraud Act unless the Department first establishes that the dealer must install or retrofit the RVMs at a retail location in order to meet those requirements, and makes money available for that retrofit. (Sections 7(1) and 9(1) of the RVM Antifraud Act contain the standards for RVMs that process beverage containers in border counties.)

##### New RVMs in New Store

If a dealer establishes a new retail store in a Michigan county that borders another state, or in a Lower Peninsula county that is contiguous with a county that borders another state, and requires new RVMs for use in that store, the Department must pay the RVM manufacturer to install in those



machines vision technology that meets the requirements of the RVM Antifraud Act.

All of the following provisions apply if a dealer purchases new RVMs from a manufacturer for use in a new retail store in a border county.

The amount of a payment to a manufacturer may not exceed that part of the price of the new RVM attributable to the cost of installation of its vision technology or \$5,000, whichever is less. The manufacturer must reduce the purchase price of the machine to the dealer by the amount of any payment to the manufacturer.

The manufacturer must submit an application for payment in the form prescribed by the Department, and include a copy of the dealer's purchase order for the new RVMs.

The manufacturer may not apply money received from the Department to the purchase price of a new RVM that does not meet the requirements of the RVM Antifraud Act.

The dealer must operate the new RVM at the retail store for which it was acquired. If the dealer ceases the retail sale of beverages in beverage containers at that store, however, the dealer may move the RVM to another location and operate it there.

#### Beverage Container Redemption Antifraud Fund

The Fund is created in the State Treasury. The State Treasurer may receive money appropriated to the Fund or money or other assets from any other source for deposit into it. Money in the Fund at the close of the fiscal year must remain in it and not lapse to the General Fund. The Department is the administrator of the Fund for auditing purposes.

The Department may spend money from the Fund, upon appropriation, only for the purposes of the Beverage Container Redemption Antifraud Act and the RVM Antifraud Act, including administration of those Acts. The Department may not use more than \$100,000 from the Fund in any State fiscal year for administration of the Acts, however.

At the time it begins to receive reports from dealers (as described below), but not later than 30 days after receiving all of the reports, the Department must immediately begin to arrange with RVM manufacturers for the retrofitting of RVMs that are located in counties that border another state or in Lower Peninsula counties that are contiguous with a county that borders another state. The Department also must arrange for payments from the Fund on behalf of dealers eligible for the acquisition of new RVMs in new retail stores for use in those counties.

In allocating money from the Fund for these purposes, the Department must give priority to retrofitting RVMs located in border counties, or for the acquisition of new RVMs for use in those counties, that it determines have the greatest benefit for reducing the redemption of nonreturnable containers. The Department, however, must allocate at least 50% of the money in the Fund to retrofitting RVMs located in counties that border another state or for the acquisition of new RVMs for use in counties that border another state.

By September 1 each year, beginning one year after the effective date of the Beverage Container Redemption Antifraud Act, the Department must report to the Legislature on the progress it has made in reducing the redemption of nonreturnable containers, including the total number of distributors who were overredeemers in the previous calendar year, before trading, as well as the average amount of overredemption.

#### Replacement of Existing RVM

A dealer that operates an RVM at a location in a county that borders another state, or in a Lower Peninsula county that is contiguous with a county that borders another state, may elect to purchase or lease a new RVM that meets the requirements of the RVM Antifraud Act to replace the existing RVM, rather than have it retrofitted. If a dealer does so, all of the following provisions apply.

The manufacturer must submit an application for payment in the form prescribed by the Department, and include a copy of the dealer's purchase order for the new RVM.



A manufacturer may not apply money received under these provisions to the purchase price of a new RVM that does not meet the requirements of the RVM Antifraud Act.

The dealer must operate the new RVM at the retail store for which it was acquired. If the dealer ceases the retail sale of beverages in beverage containers at that store, however, the dealer may move the RVM to another location and operate it there.

The amount of payment to a manufacturer may not exceed that part of the price of the new RVM attributable to the cost of the machine's vision technology or \$5,000, whichever is less. The manufacturer must reduce the purchase price of the RVM to the dealer by the amount of any payment to the manufacturer under these provisions.

The manufacturer may not apply for or receive payment for retrofitting an RVM if the manufacturer received money for a new RVM to replace the existing RVM.

For purposes of the Beverage Container Redemption Antifraud Act, the Department must consider the replacement of an RVM with a new RVM as a retrofitting of an RVM.

#### Distribution to Dealers

If the Department determines that it has paid RVM manufacturers for retrofitting all of the RVMs located in border counties, and for the acquisition of any new RVMs in new retail stores in border counties, and the total of those payments is less than the amount in the Fund, the Department must distribute the Fund balance to dealers for the purchase of new RVMs.

The payment to a dealer may not exceed that part of the price of the new RVM attributable to the cost of installation of its vision technology, as determined by the Department.

A dealer requesting money must submit an application for payment, in the form prescribed by the Department. A dealer may use the money it receives only to purchase a new RVM that meets the requirements of the RVM Antifraud Act and that the dealer will operate at a location in this State.

The Department must distribute the Fund money in the order in which it receives applications for payment.

#### Dealer Reports

Within 60 days after the effective date of the Beverage Container Redemption Antifraud Act, each dealer that operates RVMs in a border county must submit a report to the Department, which must prescribe the form of the report. The report must contain all of the following:

- Contact information for the dealer.
- The street address and county of each location in the border counties where the dealer uses RVMs.
- The number of RVMs used by the dealer at each such location and the type of beverage containers each of those machines accepts.
- The number of beverage containers sold and the number redeemed by the dealer under the beverage container deposit law in the preceding calendar year at each of the border county locations.

#### **Senate Bill 1532**

Except as provided below regarding sales in the Upper Peninsula, the bill prohibits a manufacturer of nonalcoholic beverages, and a manufacturer of alcoholic beverages, from selling, offering for sale, or giving a nonalcoholic beverage or an alcoholic beverage to a consumer, dealer, or distributor in this State in a 12-ounce metal beverage container that is not a designated metal container, a 12-ounce glass beverage container that is not a designated glass container, or a 20-ounce plastic beverage container that is not a designated plastic container if either of the following is met:

- Sales of that brand of beverages in 12-ounce metal beverage containers, 12-ounce glass beverage containers, or 20-ounce plastic beverage containers in this State in the preceding calendar year were at least 500,000 cases or, if alcoholic beverages, case equivalents.
- Sales of that brand of beverages in 12-ounce metal beverage containers, 12-ounce glass beverage containers, or 20-ounce plastic beverage containers in this State in the preceding year were fewer than 500,000 cases or, if alcoholic beverages, case equivalents, and 12-



ounce metal beverage containers, 12-ounce glass beverage containers, or 20-ounce plastic beverage containers of that brand of beverage were overredeemed by more than 600,000 containers in the preceding year.

In addition, the bill prohibits a manufacturer of nonalcoholic beverages, and a manufacturer of alcoholic beverages, from selling, offering for sale, or giving a nonalcoholic beverage or an alcoholic beverage to a consumer, dealer, or distributor in the Upper Peninsula in a 12-ounce metal beverage container that is not a designated metal container, a 12-ounce glass beverage container that is not a designated glass container, or a 20-ounce plastic beverage container that is not a designated plastic container if either of the following is met:

- Sales of that brand of beverages in 12-ounce metal beverage containers, 12-ounce glass beverage containers, or 20-ounce plastic beverage containers in the Upper Peninsula in the preceding calendar year were at least 500,000 cases or, if alcoholic beverages, case equivalents.
- Sales of that brand of beverages in 12-ounce metal beverage containers, 12-ounce glass beverage containers, or 20-ounce plastic beverage containers in the Upper Peninsula in the preceding year were fewer than 500,000 cases or, if alcoholic beverages, case equivalents, and 12-ounce metal beverage containers, 12-ounce glass beverage containers, or 20-ounce plastic beverage containers of that brand of beverage were overredeemed in the Upper Peninsula by more than 600,000 containers in the preceding year.

(The bill contains separate prohibitions concerning nonalcoholic beverages in 12-ounce metal containers, nonalcoholic beverages in 12-ounce glass containers, nonalcoholic beverages in 20-ounce plastic containers, alcoholic beverages in 12-ounce metal containers, alcoholic beverages in 12-ounce glass containers, and alcoholic beverages in 20-ounce plastic containers; in each case, the prohibitions apply to sales in this State or sales in the Upper Peninsula, as described above.)

The prohibitions regarding metal beverage containers will begin 90 days after the bill's effective date. The prohibitions regarding glass and plastic beverage containers will begin 450 days after the bill's effective date. (As noted above, the bill will take effect when at least \$100,000 is appropriated to the Beverage Container Redemption Antifraud Fund.)

("Designated metal container", "designated glass container", and "designated plastic container" refer to a 12-ounce metal beverage container, a 12-ounce glass beverage container, and a 20-ounce plastic container that contain a symbol, mark, or other distinguishing characteristic that allows a reverse vending machine to determine if the container is or is not a returnable container.

"Alcoholic beverage" means beer, ale, any other malt drink of any alcoholic content, a mixed wine drink, or a mixed spirit drink. "Nonalcoholic beverage" means a soft drink, soda water, carbonated natural or mineral water, or other nonalcoholic carbonated drink.)

A symbol, mark, or other distinguishing characteristic that is placed on a designated metal, glass, or plastic container by a manufacturer to allow an RVM to determine if it is returnable must be unique to Michigan, or used only in this State and one or more other states that have laws substantially similar to the beverage container deposit law.

A violation of the bill is a misdemeanor punishable by imprisonment for up to 180 days or a maximum fine of \$2,000, or both. Section 4 of the law does not apply to a violation of the bill. (Under that section, a person who violates the law is subject to a fine of not less than \$100 or more than \$1,000, as well as the costs of prosecution, and a separate offense is committed each day a violation occurs.)

### **House Bill 6441**

The beverage container deposit law prohibits a person from returning or attempting to return to a dealer for a refund a beverage container that the person knows or should know was not purchased in Michigan as a filled returnable container or that the person knows or should know did not have a



deposit paid for it at the time of purchase. Previously, a violation was punishable as shown in Table 1.

**Table 1**  
**Previous Penalties**

Nonreturnable Containers	Status	Max. Penalty
25-100	Misdemeanor	\$100
More than 100, or a repeat violation of 25-100	Misdemeanor	93 days and/or \$500

Under the bill, a violation is punishable as shown in Table 2.

**Table 2**  
**Revised Penalties**

Nonreturnable Containers	Status	Max. Penalty
25-100	Civil Violation	\$100
101-9,999 or repeat violation of 25-100	Misdemeanor	93 days and/or \$1,000
Repeat violation of 101-9,999	Misdemeanor	1 year and/or \$2,000
10,000 or more	Felony	5 years and/or \$5,000

The bill also prohibits a dealer from knowingly accepting from and paying a deposit to a person for a nonreturnable container, or knowingly delivering a nonreturnable container to a distributor for a refund. In addition, the bill prohibits a distributor from knowingly accepting from and paying a deposit to a dealer for a nonreturnable container, or knowingly delivering a nonreturnable container to a manufacturer for a refund. A violation by a dealer or a distributor is punishable as shown in Table 2.

A dealer or distributor is not in violation of these prohibitions if all of the following conditions are met:

- An employee of the dealer or distributor commits an act that is a violation.
- At the time the employee commits that act, the dealer or distributor has in force a written policy prohibiting its employees

from knowingly redeeming nonreturnable containers.

- The dealer or distributor did not or should not have known of the employee's act.

The bill permits the Attorney General or a county prosecutor to bring an action to recover a civil fine under these provisions. A civil fine is payable to this State and must be credited to the General Fund.

### **Senate Bill 1392**

Under the bill, improper return of 10,000 or more nonrefundable containers, improper acceptance or delivery of 10,000 or more nonrefundable containers by a dealer, and improper acceptance or delivery of 10,000 or more nonrefundable containers by a distributor, as prohibited by House Bill 6441, are Class H felonies against public order, subject to a statutory maximum of five years' imprisonment.

Changing, altering, or modifying an RVM or data for an RVM, in violation of the Reverse Vending Machine Antifraud Act, is a Class G felony against public order, subject to a statutory maximum of two years.

### **House Bill 6442**

The beverage container deposit law requires a dealer to post a notice in the portion of the dealer's premises where returnable containers are redeemed. Previously, the notice had to state, "A person who returns for refund an out-of-state nonreturnable container is subject to penalties of up to 93 days in jail, and a fine of \$500.00, and restitution." Under the bill, the notice must state, "A person who returns out-of-state nonreturnable containers for a refund is subject to penalties of up to 5 years in jail, a fine of \$5,000.00, and restitution."

A dealer who fails to comply with this requirement is subject to a maximum fine of \$50, which the bill refers to as a civil fine.

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 445.572a (S.B. 1532)  
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 445.651-445.669 (H.B. 5147)  
 445.574a (H.B. 6441)  
 445.574b (H.B. 6442)

Legislative Analyst: Suzanne Lowe



## **FISCAL IMPACT**

### Treasury

The bills will create costs for the Department of Treasury for administration and enforcement. Senate Bill 1648 limits those administrative costs to \$100,000 annually, though the actual costs are unknown.

Senate Bill 1532 and House Bill 5147 will become effective when the new Beverage Container Redemption Antifraud Fund has a balance of at least \$1.0 million from money appropriated by the Legislature. This funding has not been appropriated and the bills do not identify a source for the funding.

### Environmental Quality

Senate Bill 1532 will save the State an indeterminate amount by addressing the concern that beverages in containers that must be sold with a deposit are being sold without the deposit. Reduction in this type of fraud will result in the increased collection of bottle deposits and additional revenue to the Bottle Deposit Fund. According to the Department of Treasury, insufficient data are available to estimate the amount of money lost due to this type of fraud. Revenue in the Fund is distributed to retailers and to State restricted fund sources that support environmental cleanup projects administered by the Department of Environmental Quality.

### Corrections

The bills will have an indeterminate fiscal impact on State and local government corrections costs. There are no data to indicate how many offenders will be convicted of the new offenses. An offender convicted of a Class H offense involving the improper return, acceptance, or delivery of nonrefundable containers will receive a sentencing guidelines minimum sentence range of 0-1 month to 5-17 months. An offender convicted of the Class G offense involving changing, altering, or modifying reverse vending machines or reverse vending machine data will receive a sentencing guidelines minimum sentence range of 0-3 months to 7-23 months. Local governments will incur the costs of misdemeanor probation and incarceration in local facilities, which vary by county. The State will incur the cost of felony probation at an annual average cost of \$2,000, as well

as the cost of incarceration in a State facility at an average annual cost of \$32,000. Additional penal fine revenue will benefit public libraries.

The bills also impose various civil fines for violations, which will benefit the General Fund.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.