

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5147

A bill to provide standards for reverse vending machines; to prohibit the use, replacement, leasing, transfer, and sales of certain designs of reverse vending machines; to prescribe penalties; and to provide for the powers and duties of certain state and local governmental officers and entities.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. This act shall be known and may be cited as the  
2 "reverse vending machine antifraud act".

3       Sec. 3. As used in this act:

4       (a) "Beverage container" means that term as defined in section  
5 1 of the beverage container law, MCL 445.571.

6       (b) "Beverage container law" means 1976 IL 1, MCL 445.571 to  
7 445.576.

8       (c) "Brand" means any word, name, group of letters, symbol, or  
9 trademark, or any combination of them, adopted and used by a

1 manufacturer to identify a specific flavor or type of beverage and  
2 to distinguish that flavor or type of beverage from another  
3 beverage produced or marketed by that manufacturer or another  
4 manufacturer.

5 (d) "Dealer" means that term as defined in section 1 of the  
6 beverage container law, MCL 445.571.

7 (e) "Department" means the department of treasury.

8 (f) "Designated glass container" means a 12-ounce glass  
9 beverage container that contains a symbol, mark, or other  
10 distinguishing characteristic that allows a reverse vending machine  
11 to determine if the beverage container is or is not a returnable  
12 container.

13 (g) "Designated metal container" means a 12-ounce metal  
14 beverage container that contains a symbol, mark, or other  
15 distinguishing characteristic that allows a reverse vending machine  
16 to determine if the beverage container is or is not a returnable  
17 container.

18 (h) "Designated plastic container" means a 20-ounce plastic  
19 beverage container that contains a symbol, mark, or other  
20 distinguishing characteristic that allows a reverse vending machine  
21 to determine if the beverage container is or is not a returnable  
22 container.

23 (i) "Distributor" means that term as defined in section 1 of  
24 the beverage container law, MCL 445.571.

25 (j) "Glass beverage container" means a beverage container  
26 composed primarily of glass.

27 (k) "Install" or "installation" means to equip an existing,

1 new, or replacement reverse vending machine with vision technology  
2 for designated metal, plastic, or glass containers, including all  
3 reasonable and necessary technology, equipment, hardware, software,  
4 and labor and including 1 year of service by the reverse vending  
5 machine vendor.

6 (l) "Law enforcement agency" means the attorney general or a  
7 law enforcement agency as defined in section 2804 of the public  
8 health code, 1978 PA 368, MCL 333.2804.

9 (m) "Lease" does not include to renew or extend an existing  
10 lease for an existing reverse vending machine at the same location.

11 (n) "Manufacturer" means that term as defined in section 1 of  
12 the beverage container law, MCL 445.571.

13 (o) "Metal beverage container" means a beverage container  
14 composed primarily of metal.

15 (p) "Nonreturnable container" means that term as defined in  
16 section 1 of the beverage container law, MCL 445.571.

17 (q) "Person" means an individual, partnership, corporation,  
18 association, limited liability company, governmental entity, or  
19 other legal entity. The term includes a dealer, distributor, or  
20 manufacturer.

21 (r) "Plastic beverage container" means a beverage container  
22 composed primarily of plastic.

23 (s) "Returnable container" means that term as defined in  
24 section 1 of the beverage container law, MCL 445.571.

25 (t) "Reverse vending machine" means a device designed to  
26 properly identify and process empty beverage containers and provide  
27 a means for a deposit refund on returnable containers.

1 (u) "Reverse vending machine manufacturer" means a person that  
2 engages in any of the following and the representatives of that  
3 person:

4 (i) Designing or manufacturing a reverse vending machine.

5 (ii) Selling or leasing a reverse vending machine to a dealer  
6 in this state.

7 (iii) Servicing or replacing a reverse vending machine of a  
8 dealer in this state.

9 (v) "Update" means to install vision technology for designated  
10 metal, plastic, or glass beverage containers in an existing, new,  
11 or replacement reverse vending machine.

12 (w) "Vision technology" means a camera or other scanning  
13 device that allows a reverse vending machine to determine if  
14 beverage containers are returnable containers based on symbols,  
15 marks, or other distinguishing characteristics on the beverage  
16 containers.

17 Sec. 5. Not later than 450 days after the effective date of  
18 this act, a reverse vending machine manufacturer shall begin  
19 installing vision technology into a sufficient sample of reverse  
20 vending machines that process glass beverage containers and plastic  
21 beverage containers and conducting testing of that vision  
22 technology in a commercial environment or other testing environment  
23 that is substantially similar to a commercial environment.

24 Sec. 7. (1) Subject to subsection (2), beginning 360 days  
25 after the effective date of this act, a reverse vending machine  
26 manufacturer shall not lease, sell, or otherwise transfer a reverse  
27 vending machine that processes metal beverage containers for use in

1 any county of this state that borders another state, or any county  
2 in the Lower Peninsula that is contiguous with a county of this  
3 state that borders another state, and a dealer shall not use a  
4 reverse vending machine that processes metal beverage containers in  
5 any of those counties, if the reverse vending machine does not meet  
6 the following standards:

7 (a) It identifies at least 85% of appropriately marked and  
8 legible designated metal containers that are or are not  
9 nonreturnable containers, and authorizes or provides a refund only  
10 for those containers identified as returnable containers or refuses  
11 to provide or authorize a refund for those containers identified as  
12 nonreturnable containers.

13 (b) It maintains accurate data concerning the number of  
14 beverage containers accepted by that reverse vending machine,  
15 categorized according to the distributor of those beverage  
16 containers.

17 (2) If a reverse vending machine manufacturer demonstrates to  
18 the department's satisfaction that material and technical issues  
19 prevent the reverse vending machine manufacturer from meeting the  
20 requirements of subsection (1) by the date described in that  
21 subsection, the department may grant an extension of that date of  
22 not more than 180 days.

23 Sec. 9. (1) Subject to subsection (2), beginning 720 days  
24 after the effective date of this act, a reverse vending machine  
25 manufacturer shall not lease, sell, or otherwise transfer a reverse  
26 vending machine that processes glass beverage containers or plastic  
27 beverage containers for use in any county of this state that

1 borders another state, or any county in the Lower Peninsula that is  
2 contiguous with a county of this state that borders another state,  
3 and a dealer shall not use a reverse vending machine that processes  
4 glass beverage containers or plastic beverage containers in any of  
5 those counties, if the reverse vending machine does not meet the  
6 following standards:

7 (a) It identifies at least 85% of appropriately marked and  
8 legible designated glass containers and designated plastic  
9 containers that are or are not nonreturnable containers, and  
10 authorizes or provides a refund only for those containers  
11 identified as returnable containers or refuses to provide or  
12 authorize a refund for those containers identified as nonreturnable  
13 containers.

14 (b) It maintains accurate data concerning the number of  
15 beverage containers accepted by that reverse vending machine,  
16 categorized according to the distributor of those beverage  
17 containers.

18 (2) If a reverse vending machine manufacturer demonstrates to  
19 the department's satisfaction that material and technical issues  
20 prevent the reverse vending machine manufacturer from meeting the  
21 requirements of subsection (1) by the date described in that  
22 subsection, the department may grant an extension of that date of  
23 not more than 180 days. The department may grant a second extension  
24 of not more than an additional 180 days, but only if the department  
25 determines that the reverse vending machine manufacturer gave its  
26 best effort to meeting the requirements of subsection (1) before  
27 the end of the first extension.

1       Sec. 11. A person shall not change, alter, or modify a reverse  
2 vending machine used or intended for use in this state in a manner  
3 designed to prevent the reverse vending machine from meeting the  
4 standards described in section 7(1) or 9(1). A person shall not  
5 assist another person's efforts to change, alter, or modify a  
6 reverse vending machine used or intended for use in this state in a  
7 manner designed to prevent the reverse vending machine from meeting  
8 the standards described in section 7(1) or 9(1).

9       Sec. 13. (1) A person shall not fraudulently change, alter, or  
10 modify data described in section 7(1) or 9(1) or assist another  
11 person's efforts to fraudulently change, alter, or modify data  
12 described in section 7(1) or 9(1).

13       (2) Each dealer shall retain the data described in sections  
14 7(1) and 9(1) for at least 2 years, shall make any of that data  
15 concerning brands distributed by a distributor that provides a  
16 refund to the dealer under section 2(6) of the beverage container  
17 law, MCL 445.572, available for inspection by that distributor, and  
18 shall provide copies of that data to that distributor on request.

19       Sec. 15. (1) Each dealer shall allow the department and any  
20 law enforcement agency to inspect the dealer's reverse vending  
21 machines and the data described in sections 7(1) and 9(1) for the  
22 purpose of enforcing this act.

23       (2) If the department receives a complaint of a violation of  
24 this act, the department shall investigate to determine if a  
25 violation of this act has occurred.

26       (3) If the department determines or discovers that a violation  
27 of this act has occurred, the department shall notify the

1 appropriate law enforcement agency of the violation.

2 (4) The department shall not require that a dealer or reverse  
3 vending machine manufacturer install or update a reverse vending  
4 machine to meet the requirements of section 7(1) or 9(1) unless the  
5 department first establishes under the beverage container  
6 redemption antifraud act that the dealer must install or retrofit  
7 the reverse vending machines at a retail location in order to meet  
8 the requirements of section 7(1) or 9(1) and makes money available  
9 for that installation or update under the beverage container  
10 redemption antifraud act.

11 Sec. 17. (1) A person who violates section 11 or 13(1) is  
12 guilty of a felony punishable by imprisonment for not more than 2  
13 years or a fine of not more than \$10,000.00, or both.

14 (2) Except as provided in subsection (1), and subject to  
15 subsections (3) and (4), a person that violates this act is guilty  
16 of a misdemeanor punishable by imprisonment for not more than 90  
17 days or a fine of not more than \$5,000.00, or both.

18 (3) A dealer or reverse vending machine manufacturer is not  
19 considered in violation of section 7(1) or 9(1) if the department  
20 has not made money available to the reverse vending machine  
21 manufacturer under the beverage container redemption antifraud act  
22 to update the dealer's reverse vending machines.

23 (4) A dealer is not considered in violation of the  
24 requirements imposed on a dealer in section 7(1) or 9(1) if the  
25 dealer is using the reverse vending machines of a reverse vending  
26 machine manufacturer and the reverse vending machines of that  
27 reverse vending machine manufacturer cannot be retrofitted due to



1 the lack of technology to meet the standards described in  
2 subdivisions (a) and (b) of section 7(1) or 9(1).

3 (5) In addition to the penalty imposed under subsection (1) or  
4 (2), a court shall order a person convicted of a violation of this  
5 act to make restitution to this state and to any dealer or  
6 distributor for any loss caused by the violation.

7 Sec. 19. Within 4 years after the effective date of this act,  
8 the department shall provide a written report to the governor, the  
9 speaker of the house of representatives, and the senate majority  
10 leader. The report shall include a status report concerning the  
11 implementation of this act and the beverage container redemption  
12 antifraud act, the department's analysis of the effectiveness of  
13 these acts in reducing the redemption of nonreturnable containers  
14 in this state, the department's recommendation concerning whether  
15 the requirements of sections 7(1) and 9(1) should be extended to  
16 apply to reverse vending machines located in areas of the state not  
17 included in those sections, and any other recommendations the  
18 department may have for changes to these acts or other legislative  
19 action to reduce the redemption of nonreturnable containers in this  
20 state.

21 Enacting section 1. This act takes effect on the date that  
22 deposits into the beverage container redemption antifraud fund  
23 created in the beverage container redemption antifraud act from  
24 money appropriated by the legislature equal or exceed  
25 \$1,000,000.00.

26 Enacting section 2. This act does not take effect unless all  
27 of the following bills of the 94th Legislature are enacted into

1 law:

2 (a) Senate Bill No. 1532.

3 (b) Senate Bill No. 1648.