

**SUBSTITUTE FOR  
HOUSE BILL NO. 6694**

A bill to provide state payments to reverse vending machine manufacturers for the cost of retrofitting certain reverse vending machines; to provide money to certain dealers for the purchase of certain new reverse vending machines; to create the beverage container redemption antifraud fund; and to provide for the powers and duties of certain state 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       "beverage container redemption antifraud act".

3       Sec. 3. As used in this act:

4       (a) "Beverage container law" means 1976 IL 1, MCL 445.571 to  
5       445.576.

6       (b) "Dealer" means that term as defined in section 1 of the

1 beverage container law, MCL 445.571.

2 (c) "Department" means the department of treasury.

3 (d) "Designated metal container" means that term as defined in  
4 the reverse vending machine antifraud act.

5 (e) "Fund" means the beverage container redemption antifraud  
6 fund created in section 7.

7 (f) "Install vision technology" means to equip an existing or  
8 replacement reverse vending machine with vision technology for  
9 designated metal containers, including all reasonable and necessary  
10 technology, equipment, hardware, software, and labor, and 1 year of  
11 service directly related to the vision technology by the reverse  
12 vending machine vendor.

13 (g) "Overredeemer" means that term as defined in section 3b of  
14 the beverage container law, MCL 445.573b.

15 (h) "Retrofit" means to install vision technology for  
16 designated metal, plastic, or glass beverage containers in an  
17 existing, new, or replacement reverse vending machine.

18 (i) "Reverse vending machine" means that term as defined in  
19 the reverse vending machine antifraud act.

20 (j) "Reverse vending machine manufacturer" means that term as  
21 defined in the reverse vending machine antifraud act.

22 (k) "Vision technology" means that term as defined in the  
23 reverse vending machine antifraud act.

24 Sec. 5. (1) The department shall pay reverse vending machine  
25 manufacturers to retrofit reverse vending machines to comply with  
26 the reverse vending machine antifraud act.

27 (2) A reverse vending machine manufacturer that has agreed to

1 retrofit a dealer's reverse vending machines to comply with the  
2 reverse vending machine antifraud act shall submit a written  
3 application to the department for payment to retrofit the dealer's  
4 reverse vending machines. All of the following apply to the  
5 application for payment described in this subsection:

6 (a) The department shall prescribe the form of the  
7 application.

8 (b) A reverse vending machine manufacturer may only submit an  
9 application for retrofitting a dealer's reverse vending machines  
10 and receive payment under this act if the dealer is required to  
11 retrofit those reverse vending machines under the reverse vending  
12 machine antifraud act.

13 (c) An application submitted to the department shall include  
14 all of the following:

15 (i) Contact information for the reverse vending machine  
16 manufacturer, the number of reverse vending machines to be  
17 retrofitted by the manufacturer, the serial numbers of those  
18 machines, where those machines are located, the name and contact  
19 information of the dealer that owns or leases those machines, a  
20 copy of the dealer's purchase order for the retrofitting of those  
21 machines, the street address and county where those machines will  
22 be in operation after they are retrofitted, and any other  
23 information required by the department.

24 (ii) The total cost of updating each reverse vending machine  
25 described in the application to install vision technology.

26 (iii) The signature of a designated agent of the reverse vending  
27 machine manufacturer, certifying that all of the contents of the

1 application are correct.

2 (iv) The signature of a designated agent of the dealer whose  
3 reverse vending machines are to be retrofitted by the reverse  
4 vending machine manufacturer, certifying that all of the contents  
5 of the application are correct.

6 (d) A reverse vending machine manufacturer shall submit a  
7 separate application for each location where a dealer operates  
8 reverse vending machines.

9 (3) A reverse vending machine manufacturer that receives  
10 payment under this act for retrofitting a reverse vending machine  
11 manufacturer shall accept that payment as full payment for the  
12 retrofitting of that machine.

13 (4) When a reverse vending machine manufacturer completes the  
14 retrofitting of the reverse vending machine at a dealer's location,  
15 the reverse vending machine manufacturer shall submit proof to the  
16 department, in a form and manner prescribed by the department and  
17 signed by a designated agent of the dealer, that the retrofitting  
18 is complete.

19 (5) The department shall not require that a dealer or reverse  
20 vending machine manufacturer retrofit a reverse vending machine to  
21 meet the dealer requirements imposed in section 7(1) or 9(1) of the  
22 reverse vending machine antifraud act unless the department first  
23 establishes under this act that the dealer must install or retrofit  
24 the reverse vending machines at a retail location in order to meet  
25 the requirements of section 7(1) or 9(1) of the reverse vending  
26 machine antifraud act and makes money available for that retrofit  
27 under this act.

(a) The state treasurer may receive money appropriated to the fund or money or other assets from any other source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(c) The department is the administrator of the fund for auditing purposes.

(e) [The

(2) When money is first appropriated and paid to the fund, the department shall immediately begin to arrange with reverse vending machine manufacturers for the retrofitting of reverse vending machines located in counties that border another state and in counties in the Lower Peninsula that are contiguous with a county of this state that borders another state. Subject to subsection (1)(e), the department shall give priority to retrofitting reverse vending machines at locations it determines have the greatest

1 potential benefit for reducing the redemption of nonreturnable  
2 containers. Beginning 1 year after the effective date of this act,  
3 the department by September 1 of each year shall report to the  
4 legislature on the progress it has made in reducing the redemption  
5 of nonreturnable containers, including the total number of  
6 distributors who were overreedemers in the immediately preceding  
7 calendar year, before trading, as well as the average amount of  
8 overredemption.

9       Sec. 9. (1) The amount of payment a reverse vending machine  
10 manufacturer may receive under section 7 for retrofitting a single  
11 reverse vending machine is the total cost of retrofitting that  
12 reverse vending machine or \$5,000.00, whichever is less.

13       (2) A dealer that operates a reverse vending machine at a  
14 location in a county of this state that borders another state, or  
15 in a county in the Lower Peninsula that is contiguous with a county  
16 of this state that borders another state, may elect to purchase a  
17 new reverse vending machine that meets the requirements of the  
18 reverse vending machine antifraud act to replace that existing  
19 reverse vending machine rather than have that existing reverse  
20 vending machine retrofitted under section 7. All of the following  
21 apply if a dealer purchases a new reverse vending machine from a  
22 reverse vending machine manufacturer under this subsection:

23       (a) The reverse vending machine manufacturer shall submit an  
24 application for payment in the form prescribed by the department.  
25 The reverse vending machine manufacturer shall include with the  
26 application a copy of the dealer's purchase order for the new  
27 reverse vending machine.

1 (b) A reverse vending machine manufacturer may not apply money  
2 received under this subsection to the purchase price of a new  
3 reverse vending machine that does not meet the requirements of the  
4 reverse vending machine antifraud act.

5 (c) The dealer shall operate the new reverse vending machine  
6 at the same location as the reverse vending machine it replaces.  
7 However, if the dealer ceases retail sale of beverages in beverage  
8 containers at that location, the dealer may move that reverse  
9 vending machine to another location and operate the reverse vending  
10 machine at that different location.

11 (d) The amount of a payment to a reverse vending machine  
12 manufacturer under this section shall not exceed that part of the  
13 price of the new reverse vending machine attributable to the cost  
14 of the machine's vision technology or \$5,000.00, whichever is less.  
15 The reverse vending machine manufacturer must reduce the purchase  
16 price of the new reverse vending machine to the dealer by the  
17 amount of any payment to the reverse vending machine manufacturer  
18 under this subdivision.

19 (e) The reverse vending machine manufacturer may not apply for  
20 or receive payment under this act for retrofitting a reverse  
21 vending machine if the reverse vending machine manufacturer  
22 received money for a new reverse vending machine to replace that  
23 existing reverse vending machine under this subsection.

24 (f) The department shall consider the replacement of a reverse  
25 vending machine with a new reverse vending machine under this  
26 section as a retrofitting of a reverse vending machine under  
27 section 7.

1       Sec. 11. If the department determines that it has paid the  
2 reverse vending machine manufacturers for retrofitting all of the  
3 reverse vending machines located in the counties described in  
4 section 7(2), and the total of those payments is less than the  
5 amount in the fund, the department shall distribute the money  
6 remaining in the fund to dealers for the purchase of new reverse  
7 vending machines. All of the following apply to a payment of money  
8 under this section:

9       (a) A dealer requesting money under this section shall submit  
10 an application for payment, in the form prescribed by the  
11 department.

12       (b) A dealer shall only use money received under this section  
13 to purchase a new reverse vending machine that meets the  
14 requirement of the reverse vending machine antifraud act and that  
15 the dealer will operate that reverse vending machine at a location  
16 in this state.

17       (c) The amount of a payment to a dealer under this section  
18 shall not exceed that part of the price of the new reverse vending  
19 machine attributable to the cost of the machine's vision  
20 technology, as determined by the department.

21       (d) The department shall disburse money from the fund under  
22 this section in the order in which it receives applications for  
23 payment under this section.

24       Sec. 13. (1) No later than 60 days after the effective date of  
25 this act, each dealer that operates reverse vending machines that  
26 are located in any county of this state that borders another state,  
27 or any county in the Lower Peninsula that is contiguous with a



1 county of this state that borders another state, shall submit a  
2 report to the department.

3 (2) The report described in subsection (1) shall contain all  
4 of the following information:

5 (a) Contact information for the dealer.

6 (b) The street address and county of each location in the  
7 counties described in subsection (1) where the dealer uses reverse  
8 vending machines.

9 (c) The number of reverse vending machines used by the dealer  
10 at each location described in subdivision (b).

11 (d) The number of beverage containers sold and the number of  
12 beverage containers redeemed by the dealer under the beverage  
13 container law in the preceding calendar year at each of the  
14 locations described in subdivision (b).

15 (3) The department shall prescribe the form of the report  
16 described in subsection (1).

17 Enacting section 1. This act takes effect on the date that  
18 deposits into the beverage container redemption antifraud fund  
19 created in this act from money appropriated by the legislature  
20 equal or exceed \$1,000,000.00.

21 Enacting section 2. This act does not take effect unless all  
22 of the following bills of the 94th Legislature are enacted into  
23 law:

24 (a) Senate Bill No. 1532.

25 (b) House Bill No. 5147.