

**STATE OF MICHIGAN  
101ST LEGISLATURE  
REGULAR SESSION OF 2022**

Introduced by Senator McBroom

## ENROLLED SENATE BILL No. 178

AN ACT to amend 1976 IL 1, entitled “A petition to initiate legislation to provide for the use of returnable containers for soft drinks, soda water, carbonated natural or mineral water, other nonalcoholic carbonated drink, and for beer, ale, or other malt drink of whatever alcoholic content, and for certain other beverage containers; to provide for the use of unredeemed bottle deposits; to prescribe the powers and duties of certain state agencies and officials; and to prescribe penalties and provide remedies,” by amending sections 3a, 3b, and 3c (MCL 445.573a, 445.573b, and 445.573c), section 3a as added by 1989 PA 148, section 3b as amended by 1998 PA 473, and section 3c as amended by 2021 PA 139.

*The People of the State of Michigan enact:*

Sec. 3a. Not later than March 1 of each year, a distributor or manufacturer that originates a deposit on 1 or more beverage containers shall file a report with the department of treasury in the form prescribed by the department.

The report must indicate, for the time period of January 1 to December 31 of the preceding year, the dollar value of the total deposits collected by the distributor or manufacturer on beverage containers sold in this state, the total refunds made upon beverage containers redeemed by the distributor or manufacturer in this state, and any refunds received under section 3b(5).

Sec. 3b. (1) The department of treasury may audit, assess, and collect the amount of money reflecting unclaimed bottle deposits owed to this state by underredeemers, pay refunds to overredeemers, and enforce the obligation to pay the amount of money reflecting unclaimed bottle deposits owed to this state, in the same manner as revenues and according to the provisions of 1941 PA 122, MCL 205.1 to 205.31.

(2) Not later than March 1 of each year, an underredeemer shall pay to the department of treasury an amount that is equal to the amount by which the sum of the total value of deposits it collected in the preceding year and the refunds it received under subsection (5) in the preceding year exceeds the total value of refunds it made on redeemed beverage containers in the preceding year.

(3) An underredeemer who becomes an overredeemer in a subsequent year before 2022 may credit the value of the overredemption in order to reduce the amount of money owed to the department of treasury under this section in 1 or more subsequent years as a result of that person again becoming an underredeemer. The value of the overredemption may be carried forward for not more than 3 years or until the credit granted in this section is completely depleted, whichever occurs first.

(4) Beginning January 1, 2023, not later than April 1 of each year, the department of treasury shall pay an overredeemer a refund in an amount that is equal to the amount by which the total value of refunds it made in the preceding year to participating customers exceeds the sum of the total value of deposits it collected in the preceding year from participating customers and the refunds it received under subsection (5) in the preceding year.

(5) Beginning January 1, 2023, if a distributor or manufacturer is an overredeemer at the end of the first, second, or third quarter of each year after 2022, the overredeemer may request a refund from the department of treasury for that 3-, 6-, or 9-month period in an amount that is equal to the amount by which the total value of refunds it made in that period to participating customers exceeds the sum of the total value of deposits it collected in that period from participating customers and any refund previously received under this subsection during that period. An overredeemer may request a refund under this subsection by submitting a report, in the form prescribed by the department of treasury, not more than 30 days after the end of the period for which the overredeemer is requesting the refund, and the department shall pay the refund not more than 30 days after it receives the report.

(6) In addition to the report required under section 3a, if an underredeemer purchases empty returnable containers from an overredeemer, that purchase must be reported by the underredeemer as a “refund made” and be reported by the overredeemer as a “deposit originated” in the report required under section 3a. The report made by an underredeemer must include the name and address of each overredeemer and the refund value of the empty returnable beverage containers purchased from each overredeemer. The report made by an overredeemer must include the name and address of each underredeemer who purchased the returnable containers from that overredeemer and the refund value of the empty returnable beverage containers sold. The total consideration paid by an underredeemer to an overredeemer as authorized by this subsection must equal the redemption value of the container.

(7) A purchase or sale made under subsection (6) during January of each year must be included in the report under section 3a for the preceding calendar year only.

(8) As used in this section:

(a) “Overredeemer” means a distributor or manufacturer whose sum of the total value of deposits collected from participating customers on beverage containers sold in this state in a specified period and the refunds received under subsection (5) in the specified period is less than the total value of refunds made to participating customers on beverage containers redeemed in this state in that specified period.

(b) “Participating customer” means a customer from whom a distributor or manufacturer collects a deposit under this act on every beverage container sold to the customer.

(c) “Underredeemer” means a distributor or manufacturer whose sum of the total value of deposits collected from participating customers on beverage containers sold in this state in a specified period and the refunds received under subsection (5) in the specified period exceeds the total value of refunds made to participating customers on beverage containers redeemed in this state in that specified period.

Sec. 3c. (1) The bottle deposit fund is created in the department of treasury. The fund is a revolving fund administered by the department of treasury. All of the following apply to the bottle deposit fund:

(a) The fund consists of money paid to the department of treasury by underredeemers under section 3b. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

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

(c) The money deposited in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(2) The bottle bill enforcement fund is created in the department of treasury. The fund is a revolving fund administered by the department of treasury. All of the following apply to the bottle bill enforcement fund:

(a) The fund consists of money disbursed to the fund under subsection (3)(a). The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

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

(c) The money deposited in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(3) The department of treasury shall deposit the amount paid to the department of treasury by underredeemers under section 3b, less any amount refunded by the department of treasury to overredeemers under section 3b, into the bottle deposit fund created in subsection (1) for annual disbursement by the department of treasury in the following manner:

(a) The first \$1,000,000.00 to the bottle bill enforcement fund created in subsection (2). The department of treasury shall disburse the money deposited into the bottle bill enforcement fund to the department of state police for use in enforcing this act and investigating violations of this act. If the bottle bill enforcement fund balance at the end of the fiscal year is greater than \$3,000,000.00, deposits in the fund required under this subdivision are suspended until the fund balance falls below \$2,000,000.00.

(b) After the disbursement of the first \$1,000,000.00 to the bottle bill enforcement fund as described in subdivision (a), the remaining amount must be disbursed as follows:

(i) Seventy-five percent to the cleanup and redevelopment trust fund created in section 3e.

(ii) Twenty-five percent to dealers to be apportioned to each dealer on the basis of the number of empty returnable containers handled by a dealer as determined by the department of treasury.

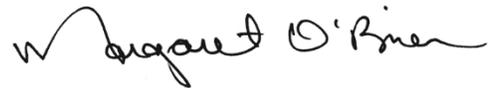
(4) Three years after the effective date of the amendatory act that added this subsection, the department of state police shall report to the legislature on the efficacy of the state police in enforcing this act. The report must contain at least the minimum number of beverage and deposit containers seized and the deposit value in this state of those containers.

(5) Not later than June 1 of each year, the department of treasury shall publish and make available to the public information related to subsection (3)(a) and section 3b(1) and send a report of that information to the legislature.

(6) If the department of treasury determines that rules are needed to properly implement and administer sections 3a to 3d, the department may promulgate rules to implement and administer those sections under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

Enacting section 1. This amendatory act takes effect January 1, 2023.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved \_\_\_\_\_

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Governor