

HOUSE BILL NO. 4331

February 24, 2021, Introduced by Reps. Morse, Rogers, Rabhi, Coleman, Brabec, Cavanagh, Aiyash, Steckloff, O'Neal, Weiss, Bolden, Sowerby, Camilleri, Hope, Hood, Koleszar, Cynthia Johnson, Hammoud, Pohutsky and Yancey and referred to the Committee on Regulatory Reform.

A bill 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 1, 2, 2a, 3c, 3e, and 3f (MCL 445.571, 445.572, 445.572a, 445.573c, 445.573e, and 445.573f), section 1 as amended by 1989 PA 93, section 2 as amended by 1998 PA 473, section

2a as added by 2008 PA 389, section 3c as amended and sections 3e and 3f as added by 1996 PA 384, and by adding section 3g.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Beverage" means ~~a soft drink, soda~~ **or other carbonated or**
 3 **noncarbonated** water; ~~, carbonated natural or mineral water, or~~
 4 ~~other nonalcoholic carbonated drink; beer, ale, wine, spirits, or~~
 5 other malt drink of whatever alcoholic content; ~~or a mixed wine~~
 6 drink or a mixed spirit drink; **or a nonalcoholic carbonated or**
 7 **noncarbonated drink in liquid form and intended for internal human**
 8 **consumption, except for plant-based milks or dairy-derived**
 9 **products.**

10 (b) "Beverage container" means ~~an~~ **any of the following:**

11 (i) **An airtight metal, glass, paper, or plastic container, or a**
 12 **container composed of a combination of these materials, ~~which~~ that,**
 13 **at the time of sale, contains 1 gallon or less of a carbonated or**
 14 **alcoholic beverage or more than 0.1 liters but less than 3 liters**
 15 **of a noncarbonated and nonalcoholic beverage.**

16 (ii) **An airtight metal, glass, or plastic container that, at**
 17 **the time of sale, contains 1 gallon or less of a nonalcoholic**
 18 **beverage other than a container composed in whole or in part of**
 19 **aluminum and plastic or aluminum and paper in combination if the**
 20 **aluminum content represents 10% or less of the unfilled container**
 21 **weight and the unfilled container weight is 5% or less of the**
 22 **filled container weight.**

23 (c) "Empty returnable container" means a beverage container
 24 ~~which~~ **that** contains nothing except the residue of its original
 25 contents.

26 (d) "Returnable container" means a beverage container upon

1 which a deposit of at least 10 cents has been paid, or is required
2 to be paid upon the removal of the **beverage** container from the sale
3 or consumption area, and for which a refund of at least 10 cents in
4 cash is payable by every dealer or distributor in this state of
5 that beverage in beverage containers, as further provided in
6 section 2.

7 (e) "Nonreturnable container" means a beverage container upon
8 which no deposit or a deposit of less than 10 cents has been paid,
9 or is required to be paid, upon the removal of the **beverage**
10 container from the sale or consumption area, or for which no cash
11 refund or a refund of less than 10 cents is payable by a dealer or
12 distributor in this state of that beverage in beverage containers,
13 as further provided in section 2.

14 (f) "Person" means an individual, partnership, corporation,
15 **limited liability company**, association, or other legal entity.

16 (g) "Dealer" means a person who sells or offers for sale to
17 consumers within this state a beverage in a beverage container,
18 including an operator of a vending machine containing a beverage in
19 a beverage container.

20 (h) "Operator of a vending machine" means equally its owner,
21 the person who refills it, and the owner or lessee of the property
22 upon which it is located.

23 (i) "Distributor" means a person, **including a manufacturer**,
24 who sells beverages in beverage containers to a dealer within this
25 state. ~~, and includes a manufacturer who engages in such sales.~~

26 (j) "Manufacturer" means a person who bottles, cans, or
27 otherwise places beverages in beverage containers for sale to
28 distributors, dealers, or consumers.

29 (k) "Within this state" means within the exterior limits of

1 the state of Michigan, and includes the territory within these
2 limits owned by or ceded to the United States of America.

3 (l) "Commission" means the ~~Michigan~~ liquor control commission
4 **created in section 209 of the Michigan liquor control code of 1998,**
5 **1998 PA 58, MCL 436.1209.**

6 (m) "Sale or consumption area" means the premises ~~within on~~
7 the property of the dealer or of the dealer's lessor where the sale
8 is made, ~~within which~~ **where** beverages in returnable containers may
9 be consumed without payment of a deposit, and ~~, upon removing a~~
10 ~~beverage container from which, the customer is required by~~ **where a**
11 **consumer may not remove a beverage container without** the dealer
12 **requiring him or her** to pay ~~the a~~ deposit.

13 (n) "Nonrefillable container" means a returnable container
14 ~~which~~ **that** is not intended to be refilled for sale by a
15 manufacturer.

16 (o) "Mixed wine drink" means a drink or similar product
17 marketed as a wine cooler and containing less than 7% alcohol by
18 volume, consisting of wine and plain, sparkling, or carbonated
19 water and containing any 1 or more of the following:

20 (i) Nonalcoholic beverages.

21 (ii) Flavoring.

22 (iii) Coloring materials.

23 (iv) Fruit juices.

24 (v) Fruit adjuncts.

25 (vi) Sugar.

26 (vii) Carbon dioxide.

27 (viii) Preservatives.

28 (p) "Mixed spirit drink" means a drink containing 10% or less
29 alcohol by volume consisting of distilled spirits mixed with

1 nonalcoholic beverages or flavoring or coloring materials and ~~which~~
2 **that** may also contain water, fruit juices, fruit adjuncts, sugar,
3 carbon dioxide, or preservatives; or ~~any spirits based~~ **a spirit-**
4 **based** beverage, regardless of the percent of alcohol by volume,
5 that is manufactured for sale in a metal **beverage** container.

6 (q) "Plant-based milk" means a liquid intended for internal
7 human consumption of which the primary protein source is soy, rice,
8 almond, cashew, hazelnut, coconut, or oats, derivatives thereof, or
9 any other product intended as a substitute for dairy milk in which
10 the protein is derived primarily from plants.

11 Sec. 2. (1) A dealer within this state shall not sell, offer
12 for sale, or give to a consumer a nonreturnable container or a
13 beverage in a nonreturnable container.

14 (2) ~~A-Except as provided in subsection (14) for a dealer with~~
15 **a store footprint of less than 4,000 square feet, a** dealer who
16 regularly sells beverages for consumption off the dealer's premises
17 shall provide on the premises, or within 100 yards of the premises
18 on which the dealer sells or offers for sale a beverage in a
19 returnable container, a convenient means whereby the containers of
20 any kind, size, and ~~brand~~ **material** sold or offered for sale by the
21 dealer may be returned by, and the deposit refunded in cash to, a
22 person whether or not the person is the original customer of that
23 dealer, and whether or not the container was sold by that dealer.

24 (3) Regional centers for the redemption of returnable
25 containers may be established, in addition to but not as
26 substitutes for, the means established for refunds of deposits
27 prescribed in ~~subsection~~ **subsections (2) and (14)**.

28 (4) Except as provided in subsections (5) and (7), a dealer
29 shall accept from a person an empty returnable container of any

1 kind, size, and ~~brand-material~~ sold or offered for sale by that
2 dealer and pay to that person its full refund value in cash.

3 (5) A dealer who does not require a deposit on a returnable
4 container when the contents are consumed in the dealer's sale or
5 consumption area is not required to pay a refund for accepting that
6 empty container.

7 (6) Except as provided in subsection (7), a distributor shall
8 accept from a dealer an empty returnable container of any kind,
9 size, and ~~brand-material~~ sold or offered for sale by that
10 distributor and pay to the dealer its full refund value in cash.

11 (7) Each beverage container sold or offered for sale by a
12 dealer within this state ~~shall-must~~ clearly indicate by embossing
13 or by a stamp, a label, or other method securely affixed to the
14 beverage container, the refund value of the container and the name
15 of this state. A dealer or distributor may, but is not required to,
16 refuse to accept from a person an empty returnable container ~~which~~
17 **that** does not state on the container the refund value of the
18 container and the name of this state. This subsection does not
19 apply to a refillable container having a refund value of not less
20 than 10 cents, having a brand name permanently marked on it, and
21 having a securely affixed method of indicating that it is a
22 returnable container.

23 (8) A dealer within this state shall not sell, offer for sale,
24 or give to consumers a metal beverage container, any part of which
25 becomes detached when opened.

26 (9) A person, dealer, distributor, or manufacturer shall not
27 return an empty container to a dealer for a refund of the deposit
28 if a dealer has already refunded the deposit on that returnable
29 container. This subsection does not prohibit a dealer from

1 refunding the deposit on an empty returnable container each time
2 the returnable container is sanitized by the manufacturer and
3 reused as a beverage container.

4 (10) A dealer **with a store footprint of 4,000 or more square**
5 **feet** may accept, but is not required to accept, from a person,
6 empty returnable containers for a refund in excess of \$25.00 on any
7 given day. **A dealer with a store footprint of less than 4,000**
8 **square feet may accept, but is not required to accept, from a**
9 **person, empty returnable containers for a refund in excess of**
10 **\$10.00 on any given day.**

11 (11) A manufacturer licensed by the commission shall not
12 require a distributor licensed by the commission to pay a deposit
13 to the manufacturer on a nonrefillable container. However, a
14 manufacturer licensed by the commission and a distributor licensed
15 by the commission may enter into an agreement providing that either
16 or both may originate a deposit or any portion of a deposit on a
17 nonrefillable container if the agreement is entered into freely and
18 without coercion.

19 (12) A manufacturer shall refund the deposit paid on any
20 container returned by a distributor for which a deposit has been
21 paid by a distributor to the manufacturer.

22 (13) Subsections (4), (6), ~~and (7)~~, **(15), and (16)** apply only
23 to a returnable container that was originally sold in this state as
24 a filled returnable container.

25 (14) **A dealer with a store footprint of less than 4,000 square**
26 **feet who regularly sells beverages for consumption off the dealer's**
27 **premises shall provide on the premises, or within 100 yards of the**
28 **premises on which the dealer sells or offers for sale a beverage in**
29 **a returnable container, a convenient means whereby the containers**

1 of any kind, size, and brand sold or offered for sale by the dealer
2 may be returned by, and the deposit refunded in cash to, a person
3 whether or not the person is the original customer of that dealer,
4 and whether or not the container was sold by that dealer.

5 (15) Except as provided in subsections (5) and (7), a dealer
6 with a store footprint of less than 4,000 square feet shall accept
7 from a person an empty returnable container of any kind, size, and
8 brand sold or offered for sale by that dealer and pay to that
9 person its full refund value in cash.

10 (16) Except as provided in subsection (7), a distributor shall
11 accept from a dealer with a store footprint of less than 4,000
12 square feet an empty returnable container of any kind, size, and
13 brand sold or offered for sale by that distributor and pay to the
14 dealer its full refund value in cash.

15 Sec. 2a. (1) Except as provided in subsection (2), beginning
16 ~~90 days after the effective date of the amendatory act that added~~
17 ~~this section, March 1, 2010,~~ a manufacturer of nonalcoholic
18 beverages shall not sell, offer for sale, or give a nonalcoholic
19 beverage to a consumer, dealer, or distributor in this state in a
20 12-ounce metal beverage container that is not a designated metal
21 container if either of the following is met:

22 (a) Sales of that brand of beverage in 12-ounce metal beverage
23 containers in this state in the preceding calendar year were at
24 least 500,000 cases, as determined by the department of treasury.

25 (b) Sales of that brand of beverage in 12-ounce metal beverage
26 containers in this state in the preceding calendar year were fewer
27 than 500,000 cases, and 12-ounce metal beverage containers of that
28 brand of beverage were overredeemed by more than 600,000 containers
29 in the preceding calendar year, as determined by the department of

1 treasury.

2 (2) Beginning ~~90 days after the effective date of the~~
3 ~~amendatory act that added this section, **March 1, 2010,**~~ a
4 manufacturer of nonalcoholic beverages shall not sell, offer for
5 sale, or give a nonalcoholic beverage to a consumer, dealer, or
6 distributor in the Upper Peninsula in a 12-ounce metal beverage
7 container that is not a designated metal container if either of the
8 following is met:

9 (a) Sales of that brand of beverage in 12-ounce metal beverage
10 containers in the Upper Peninsula were at least 500,000 cases, as
11 determined by the department of treasury.

12 (b) Sales of that brand of beverage in 12-ounce metal beverage
13 containers in the Upper Peninsula in the preceding calendar year
14 were fewer than 500,000 cases, and 12-ounce metal beverage
15 containers of that brand of beverage were overredeemed in the Upper
16 Peninsula by more than 600,000 containers in the preceding calendar
17 year, as determined by the department of treasury.

18 (3) Except as provided in subsection (4), beginning ~~450 days~~
19 ~~after the effective date of the amendatory act that added this~~
20 ~~section, **February 24, 2011,**~~ a manufacturer of nonalcoholic
21 beverages shall not sell, offer for sale, or give a nonalcoholic
22 beverage to a consumer, dealer, or distributor in this state in a
23 12-ounce glass beverage container that is not a designated glass
24 container if either of the following is met:

25 (a) Sales of that brand of beverage in 12-ounce glass beverage
26 containers in this state in the preceding calendar year were at
27 least 500,000 cases, as determined by the department of treasury.

28 (b) Sales of that brand of beverage in 12-ounce glass beverage
29 containers in this state in the preceding calendar year were fewer

1 than 500,000 cases, and 12-ounce glass beverage containers of that
2 brand of beverage were overredeemed by more than 600,000 containers
3 in the preceding calendar year, as determined by the department of
4 treasury.

5 (4) Beginning ~~450 days after the effective date of the~~
6 ~~amendatory act that added this section,~~ **February 24, 2011**, a
7 manufacturer of nonalcoholic beverages shall not sell, offer for
8 sale, or give a nonalcoholic beverage to a consumer, dealer, or
9 distributor in the Upper Peninsula in a 12-ounce glass beverage
10 container that is not a designated glass container if either of the
11 following is met:

12 (a) Sales of that brand of beverage in 12-ounce glass beverage
13 containers in the Upper Peninsula were at least 500,000 cases, as
14 determined by the department of treasury.

15 (b) Sales of that brand of beverage in 12-ounce glass beverage
16 containers in the Upper Peninsula in the preceding calendar year
17 were fewer than 500,000 cases, and 12-ounce glass beverage
18 containers of that brand of beverage were overredeemed in the Upper
19 Peninsula by more than 600,000 containers in the preceding calendar
20 year, as determined by the department of treasury.

21 (5) Except as provided in subsection (6), beginning ~~450 days~~
22 ~~after the effective date of the amendatory act that added this~~
23 ~~section,~~ **February 24, 2011**, a manufacturer of nonalcoholic
24 beverages shall not sell, offer for sale, or give a nonalcoholic
25 beverage to a consumer, dealer, or distributor in this state in a
26 20-ounce plastic beverage container that is not a designated
27 plastic container if either of the following is met:

28 (a) Sales of that brand of beverage in 20-ounce plastic
29 beverage containers in this state in the preceding calendar year

1 were at least 500,000 cases, as determined by the department of
2 treasury.

3 (b) Sales of that brand of beverage in 20-ounce plastic
4 beverage containers in this state in the preceding calendar year
5 were fewer than 500,000 cases, and 20-ounce plastic beverage
6 containers of that brand of beverage were overredeemed by more than
7 600,000 containers in the preceding calendar year, as determined by
8 the department of treasury.

9 (6) Beginning ~~450 days after the effective date of the~~
10 ~~amendatory act that added this section,~~ **February 24, 2011**, a
11 manufacturer of nonalcoholic beverages shall not sell, offer for
12 sale, or give a nonalcoholic beverage to a consumer, dealer, or
13 distributor in the Upper Peninsula in a 20-ounce plastic beverage
14 container that is not a designated plastic container if either of
15 the following is met:

16 (a) Sales of that brand of beverage in 20-ounce plastic
17 beverage containers in the Upper Peninsula were at least 500,000
18 cases, as determined by the department of treasury.

19 (b) Sales of that brand of beverage in 20-ounce plastic
20 beverage containers in the Upper Peninsula in the preceding
21 calendar year were fewer than 500,000 cases, and 20-ounce plastic
22 beverage containers of that brand of beverage were overredeemed in
23 the Upper Peninsula by more than 600,000 containers in the
24 preceding calendar year, as determined by the department of
25 treasury.

26 (7) Beginning ~~90 days after the effective date of the~~
27 ~~amendatory act that added this section,~~ **March 1, 2010**, a
28 manufacturer of alcoholic beverages shall not sell, offer for sale,
29 or give an alcoholic beverage to a consumer, dealer, or distributor

1 in this state in a 12-ounce metal beverage container that is not a
2 designated metal container if either of the following is met:

3 (a) Sales of that brand of beverage in this state in the
4 preceding calendar year were at least 500,000 case equivalents, as
5 determined by the department of treasury.

6 (b) Sales of that brand of beverage in this state in the
7 preceding calendar year were fewer than 500,000 case equivalents,
8 and beverage containers of that brand of beverage were overredeemed
9 by more than 600,000 containers in the preceding calendar year, as
10 determined by the department of treasury.

11 (~~8~~) ~~Beginning 450 days after the effective date of the~~
12 ~~amendatory act that added this section, **February 24, 2011,** a~~
13 manufacturer of alcoholic beverages shall not sell, offer for sale,
14 or give an alcoholic beverage to a consumer, dealer, or distributor
15 in this state in a 12-ounce glass beverage container that is not a
16 designated glass container if either of the following is met:

17 (a) Sales of that brand of beverage in this state in the
18 preceding calendar year were at least 500,000 case equivalents, as
19 determined by the department of treasury.

20 (b) Sales of that brand of beverage in this state in the
21 preceding calendar year were fewer than 500,000 case equivalents,
22 and beverage containers of that brand of beverage were overredeemed
23 by more than 600,000 containers in the preceding calendar year, as
24 determined by the department of treasury.

25 (~~9~~) ~~Beginning 450 days after the effective date of the~~
26 ~~amendatory act that added this section, **February 24, 2011,** a~~
27 manufacturer of alcoholic beverages shall not sell, offer for sale,
28 or give an alcoholic beverage to a consumer, dealer, or distributor
29 in this state in a 20-ounce plastic beverage container that is not

1 a designated plastic container if either of the following is met:

2 (a) Sales of that brand of beverage in this state in the
3 preceding calendar year were at least 500,000 case equivalents, as
4 determined by the department of treasury.

5 (b) Sales of that brand of beverage in this state in the
6 preceding calendar year were fewer than 500,000 case equivalents,
7 and beverage containers of that brand of beverage were overredeemed
8 by more than 600,000 containers in the preceding calendar year, as
9 determined by the department of treasury.

10 (10) A symbol, mark, or other distinguishing characteristic
11 that is placed on a designated metal container, designated glass
12 container, or designated plastic container by a manufacturer to
13 allow a reverse vending machine to determine if that container is a
14 returnable container must be unique to this state, or used only in
15 this state and 1 or more other states that have laws substantially
16 similar to this act.

17 (11) **A distributor that purchases filled beverage containers**
18 **of nonalcoholic beverages in another state for subsequent sale to a**
19 **dealer within this state shall originate a deposit of 10 cents on**
20 **those filled containers at the time of sale to the dealer and**
21 **maintain a record of those deposits for purposes of its required**
22 **annual filing under section 3a.**

23 (12) **A dealer or manufacturer that sells online and arranges**
24 **for or delivers beverage containers to addresses within this state**
25 **shall originate a deposit of 10 cents on those containers at the**
26 **time of sale and maintain a record of those deposits for purposes**
27 **of its required annual filing under section 3a.**

28 (13) ~~(11)~~ A person that violates this section is guilty of a
29 misdemeanor punishable by imprisonment for not more than 180 days

1 or a fine of not more than \$2,000.00, or both. Section 4 does not
2 apply to a violation described in this subsection.

3 (14) ~~(12)~~As used in this section:

4 (a) "Alcoholic beverage" means beer, ale, any other malt drink
5 of whatever alcoholic content, a mixed wine drink, or a mixed
6 spirit drink.

7 (b) "Brand" means any word, name, group of letters, symbol, or
8 trademark, or any combination of them, adopted and used by a
9 manufacturer to identify a specific flavor or type of beverage and
10 to distinguish that flavor or type of beverage from another
11 beverage produced or marketed by that manufacturer or another
12 manufacturer.

13 (c) "Designated glass container" means a 12-ounce glass
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 (d) "Designated metal container" means a 12-ounce metal
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 (e) "Designated plastic container" means a 20-ounce plastic
24 beverage container that contains a symbol, mark, or other
25 distinguishing characteristic that allows a reverse vending machine
26 to determine if the beverage container is or is not a returnable
27 container.

28 (f) "Glass beverage container" means a beverage container
29 composed primarily of glass.

1 (g) "Metal beverage container" means a beverage container
2 composed primarily of metal.

3 (h) "Nonalcoholic beverage" means a soft drink, soda water,
4 carbonated natural or mineral water, or other nonalcoholic
5 carbonated drink.

6 (i) "Plastic beverage container" means a beverage container
7 composed primarily of plastic.

8 (j) "Reverse vending machine" means a device designed to
9 properly identify and process empty beverage containers and provide
10 a means for a deposit refund on returnable containers.

11 Sec. 3c. (1) There is created in the department of treasury a
12 bottle deposit fund ~~which~~**that** is a revolving fund administered by
13 the department of treasury. The money in the bottle deposit fund
14 ~~shall~~**does** not ~~revert~~**lapse** to the general fund.

15 (2) The amount paid to the department of treasury by
16 underredeemers ~~shall~~**must** be deposited by the department of
17 treasury in the bottle deposit fund created in subsection (1) for
18 annual disbursement by the department of treasury in the following
19 manner **and order of priority:**

20 ~~(a) Seventy-five percent to the cleanup and redevelopment~~
21 ~~trust fund created in section 3c.~~

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

25 **(a) An amount equal to \$0.005 per empty returnable container**
26 **redeemed must be deposited in the bottle handling fund created in**
27 **section 3g.**

28 **(b) From the balance remaining after the disbursement under**
29 **subdivision (a), to the department of attorney general for audit**

1 and fraud investigations under this act as follows:

2 (i) If the redemption rate is 95% or higher, \$1,000,000.00.

3 (ii) If the redemption rate is 90% or higher but less than 95%,
4 \$2,000,000.00.

5 (iii) If the redemption rate is 85% or higher but less than 90%,
6 \$3,000,000.00.

7 (iv) If the redemption rate is 80% or higher but less than 85%,
8 \$4,000,000.00.

9 (v) If the redemption rate is below 80%, \$5,000,000.00.

10 (c) From the balance remaining after the disbursements under
11 subdivisions (a) and (b), \$25,000,000.00 to the renew Michigan fund
12 created in section 51g of the income tax act of 1967, 1967 PA 281,
13 MCL 206.51g, for environmental cleanup and redevelopment.

14 (d) The balance to the cleanup and redevelopment trust fund
15 created in section 3e.

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

20 (4) The department of treasury may promulgate rules to
21 implement sections 3a to 3d pursuant to the administrative
22 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~
23 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws, 1969~~
24 **PA 306, MCL 24.201 to 24.328**, if the department of treasury
25 determines that rules are needed to properly implement and
26 administer sections 3a to 3d.

27 Sec. 3e. (1) The cleanup and redevelopment trust fund is
28 created within the state treasury.

29 (2) The state treasurer may receive money or other assets from

1 any source for deposit into the trust fund. The state treasurer
2 shall direct the investment of the trust fund. The state treasurer
3 shall credit to the trust fund interest and earnings from fund
4 investments.

5 (3) Money in the trust fund at the close of the fiscal year
6 ~~shall remain~~ **remains** in the trust fund and ~~shall~~ **does** not lapse to
7 the general fund.

8 (4) The state treasurer shall annually disburse the following
9 amounts from the trust fund:

10 (a) ~~For each of the state fiscal years 1996-1997, 1997-1998,~~
11 ~~and 1998-1999, up to \$15,000,000.00 each year of money in the trust~~
12 ~~fund to the cleanup and redevelopment fund created in section 20108~~
13 ~~of part 201 (environmental remediation) of the natural resources~~
14 ~~and environmental protection act, Act No. 451 of the Public Acts of~~
15 ~~1994, being section 324.20108 of the Michigan Compiled Laws.~~

16 ~~(b) In addition to the disbursements under subdivision (a),~~
17 ~~each state fiscal year, 80%~~ **25%** of the revenues received by the
18 trust fund ~~from disbursements under section 3c to the cleanup and~~
19 ~~redemption fund and 10%~~ to the community pollution prevention
20 fund created in section 3f.

21 **(b) 25% of the revenues received by the trust fund to the**
22 **renew Michigan fund created in section 51g of the income tax act of**
23 **1967, 1967 PA 281, MCL 206.51g, for recycling.**

24 **(c) 25% of the revenues received to be distributed per capita**
25 **to municipalities that have achieved 45% municipal recycling rate.**

26 **(d) 25% of the revenues received to be distributed per capita**
27 **to all municipalities to be used for purposes described under**
28 **section 3f.**

29 (5) All money in the trust fund that is not disbursed pursuant

1 ~~to~~**under** subsection (4) ~~shall remain~~**remains** in the trust fund
 2 until the trust fund reaches an accumulated principal of
 3 \$200,000,000.00. After the trust fund reaches an accumulated
 4 principal of \$200,000,000.00, interest and earnings of the trust
 5 fund only ~~shall~~**must** be expended, upon appropriation, for the
 6 purposes specified in section 20113(4) ~~of part 201 (environmental~~
 7 ~~remediation)~~ of the natural resources and environmental protection
 8 act, Act No. 451 of the Public Acts of 1994, being section
 9 ~~324.20113 of the Michigan Compiled Laws.~~**1994 PA 451, MCL 324.20113.**

10 (6) As used in this section, "trust fund" means the cleanup
 11 and redevelopment trust fund created in subsection (1).

12 Sec. 3f. (1) The community pollution prevention fund is
 13 created within the state treasury.

14 (2) The state treasurer may receive money or other assets from
 15 any source for deposit into the community pollution prevention
 16 fund. The state treasurer shall direct the investment of the
 17 community pollution prevention fund. The state treasurer shall
 18 credit to the community pollution prevention fund interest and
 19 earnings from fund investments.

20 (3) Money in the community pollution prevention fund at the
 21 close of the fiscal year ~~shall remain~~**remains** in the community
 22 pollution prevention fund and ~~shall~~**does** not lapse to the general
 23 fund.

24 (4) The department of ~~environmental quality~~**environment, Great**
 25 **Lakes, and energy** shall expend interest and earnings of the
 26 community pollution prevention fund only, upon appropriation, for
 27 grants for the purpose of preventing pollution, with an emphasis on
 28 the prevention of groundwater contamination and resulting risks to
 29 the public health, ecological risks, and public and private cleanup

1 costs. The department of ~~environmental quality~~ **environment, Great**
2 **Lakes, and energy** shall enter into contractual agreements with
3 grant recipients, who shall include county governments, local
4 health departments, municipalities, and regional planning agencies.
5 Activities to be performed by grant recipients and program
6 objectives and deliverables ~~shall~~ **must** be specified in the
7 contractual agreements. Grant recipients shall provide a financial
8 match of not less than 25% nor more than 50%. Not more than
9 \$100,000.00 may be granted in any fiscal year to a single
10 recipient. Eligible pollution prevention activities include, **but**
11 **are not limited to**, all of the following:

12 (a) Drinking water wellhead protection, including the
13 delineation of wellhead protection areas and implementation of
14 wellhead protection plans pursuant to the safe drinking water act,
15 ~~Act No. 399 of the Public Acts of 1976, being sections 325.1001 to~~
16 ~~325.1023 of the Michigan Compiled Laws.~~ **1976 PA 399, MCL 325.1001 to**
17 **325.1023.**

18 (b) The review of pollution incident prevention plans prepared
19 by, and the inspection of, facilities whose storage or handling of
20 hazardous materials may pose a risk to the groundwater.

21 (c) The identification and plugging of abandoned wells other
22 than oil and gas wells.

23 (d) Programs to educate the general public and businesses that
24 use or handle hazardous materials on pollution prevention methods,
25 technologies, and processes, with an emphasis on the direct
26 reduction of toxic material releases or disposal at the source.

27 (e) **Programs and activities to monitor and respond to**
28 **migration of contaminants and vapor intrusion.**

29 (f) **Programs and activities regarding the reduction of plastic**

1 **waste and pollution in this state.**

2 (5) The department of ~~environmental quality~~**environment, Great**
3 **Lakes, and energy** shall annually prepare a report summarizing the
4 grants made under this section, contractual commitments made and
5 achieved, and a preliminary evaluation of the effectiveness of this
6 section not later than September 30, 1997, and September 30 of each
7 year thereafter, and shall provide a copy of this report to the
8 chairs of the house and senate appropriations subcommittees for the
9 department of ~~environmental quality~~**environment, Great Lakes, and**
10 **energy.**

11 **Sec. 3g. (1) The bottle handling fund is created within the**
12 **state treasury.**

13 (2) The state treasurer may receive money or other assets from
14 any source for deposit into the bottle handling fund. The state
15 treasurer shall direct the investment of the bottle handling fund.
16 The state treasurer shall credit to the bottle handling fund
17 interest and earnings from bottle handling fund investments.

18 (3) Money in the bottle handling fund at the close of the
19 fiscal year remains in the bottle handling fund and does not lapse
20 to the general fund.

21 (4) The department of treasury is the administrator of the
22 bottle handling fund for auditing purposes.

23 (5) The department of treasury shall expend money from the
24 bottle handling fund, upon appropriation, only for 1 or more of the
25 following purposes:

26 (a) 80% of the yearly total to dealers to be apportioned to
27 each dealer on the basis of the number of empty returnable
28 containers redeemed by the dealer as determined by the department
29 of treasury.

1 (b) 20% of the yearly total to distributors to be apportioned
2 to each distributor on the basis of the number of empty returnable
3 containers redeemed by the distributor as determined by the
4 department of treasury.

5 Enacting section 1. This amendatory act takes effect 2 years
6 after the date it is enacted into law.