

# Legislative Overview

## Michigan Bottle Bill

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### Summary

The Michigan Beverage Container Law ([1976 IL 1](#)), also called the Bottle Bill, requires a deposit of 10 cents to be paid with the purchase of any returnable beverage container<sup>1</sup> in Michigan. Consumers can redeem this deposit by returning the empty container to a dealer that is required to accept returns under the law.

The act requires dealers that regularly sell beverages for consumption off the businesses premises to provide a means for retuning empty returnable containers of any kind, size, and brand sold or offered for sale by that dealer for a cash refund of the deposit within 100 yards of the premises where beverages in returnable containers are sold.<sup>2</sup> Dealers then provide the returned containers to the distributor of the beverages for a full cash refund of the containers' deposit value.

### Background

The Bottle Bill was enacted as an initiated law after being approved by about 63% of voters in the November 1976 election. Supporters of the initiative argued that the creation of a bottle deposit system would reduce the amount of throwaway cans and bottles that made up much of the roadside litter in the state. Michigan was the third state to pass a bottle deposit law, and the first to require a 10-cent deposit.

### Redemption Rates<sup>3</sup>

Year	Total Deposits Collected (millions)	Total Deposits Refunded (millions)	Percent Refunded
2018	\$393.9	\$350.6	89.0%
2019	381.1	338.1	88.7%
2020	401.8	293.4	73.0%
2021	413.7	311.8	75.4%
2022	398.3	301.1	75.6%

### Disbursement of Unclaimed Deposits

Under the act, unclaimed deposits are disbursed as follows:

- \$1.0 million to the Bottle Bill Enforcement Fund, which is used by the Department of State Police to enforce the act and investigate potential violations. This distribution pauses if the fund reaches a balance of \$3.0 million and does not resume until the fund's balance falls below \$2.0 million. (The fund's balance at the end of the 2022-23 fiscal year was \$1.8 million.)
- 75% of remaining funds to the Cleanup and Redevelopment Trust Fund, which is disbursed as follows:
  - 80% to the Cleanup and Redevelopment Fund, which is used to clean up specific sites of contamination in the state. (The fund's balance at the end of the 2022-23 fiscal year was \$94.6 million.)

<sup>1</sup> Beverage container means an airtight metal, glass, paper, or plastic container, or a container composed of a combination of these materials, which, at the time of sale, contains one gallon or less of a beverage. Applicable beverages include soft drinks, soda water, carbonated natural or mineral water, other nonalcoholic carbonated drinks, beer, ale, other malt drinks of whatever alcoholic content, mixed wine drinks, and mixed spirit drinks.

<sup>2</sup> Dealers are not required to accept returns in excess of \$25 per day from an individual under the act.

<sup>3</sup> <https://www.michigan.gov/treasury/-/media/Project/Websites/treasury/Reports/2023/2022-with-percent-redeemed-For-Updating.pdf> According to the Department of Treasury, "These numbers do not adjust for the impact of beverage containers purchased in another state or country and returned illegally for a deposit here in Michigan and the impact of retailers purchasing beverages from out-of-state and evading paying the 10 cent deposit per container."

- 10% to the Community Pollution Prevention Fund, which is used to fund education programs on pollution prevention, methods, technologies, and processes for the general public and businesses that use or handle hazardous materials. (The fund's balance at the end of the 2022-23 fiscal year was \$36.9 million.)
- 10% remains in the trust fund, until a maximum of \$200.0 million is met. (The trust fund's balance at the end of the 2022-23 fiscal year was \$37.6 million.)
- 25% of remaining funds to dealers to be apportioned on the basis of the number of empty returnable containers handled by each dealer as determined by the Department of Treasury.

### **Recent Amendments**

Because the Bottle Bill is an initiated law, the Michigan Constitution requires a three-fourths majority of each legislative chamber to amend it.<sup>4</sup> The act was amended twice during the 2021-22 legislative session:

- [Public Acts 139, 140, and 141 of 2021](#) amended the act, along with making complementary changes to other acts, to create criminal penalties for distributors that do not originate (or fail to maintain a record of) a 10-cent deposit on the sale of nonrefillable containers to a dealer. The bills also created the Bottle Bill Enforcement Fund and modified the disbursement of unclaimed deposits to include the new fund.
- [Public Act 198 of 2022](#) amended the act to modify the process through which an overredeemer (i.e., a distributor that pays a refund for more deposits than they collected on sales) can collect a refund for the overpayment from the Department of Treasury.

### **Additional Resources**

- EGLE's Bottle Bill [FAQ](#)
- Container Recycling Institute's [Bottle Bill Resource Guide](#), [Michigan Bottle Bill History](#), and [Comparison of State Deposit Programs](#)

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<sup>4</sup> <http://legislature.mi.gov/doc.aspx?mcl-Article-II-9>