

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.

1 (c) "Brand" means any word, name, group of letters, symbol, or  
2 trademark, or any combination of them, adopted and used by a  
3 manufacturer to identify a specific beverage and to distinguish  
4 that beverage from another beverage produced or marketed by that  
5 manufacturer or another manufacturer.

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

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

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

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

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

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

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

1       (k) "Install" or "installation" means to equip an existing,  
2 new, or replacement reverse vending machine with vision technology  
3 for designated metal, plastic, or glass containers, including all  
4 reasonable and necessary technology, equipment, hardware, software,  
5 and labor and including 1 year of service by the reverse vending  
6 machine vendor.

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

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

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

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

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

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

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

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

26       (t) "Reverse vending machine" means a device designed to  
27 properly identify and process empty beverage containers and provide

1 a means for a deposit refund on returnable containers.

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

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

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

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

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

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

18 Sec. 5. Beginning 360 days after the department certifies that  
19 85% of the installation of new vision technology for the processing  
20 of metal beverage containers in reverse vending machines in those  
21 counties of this state that border another state, or in those  
22 counties in the Lower Peninsula that are contiguous with a county  
23 of this state that borders another state, is completed, a reverse  
24 vending machine manufacturer shall begin installing vision  
25 technology into a sufficient sample of reverse vending machines  
26 that process glass beverage containers and plastic beverage  
27 containers and conducting testing of that vision technology in a

1 commercial environment or other testing environment that is  
2 substantially similar to a commercial environment.

3 Sec. 7. (1) Subject to subsection (2), beginning 360 days  
4 after the effective date of this act, a reverse vending machine  
5 manufacturer shall not lease, sell, or otherwise transfer a reverse  
6 vending machine that processes metal beverage containers for use in  
7 any county of this state that borders another state, or any county  
8 in the Lower Peninsula that is contiguous with a county of this  
9 state that borders another state, and a dealer shall not use a  
10 reverse vending machine that processes metal beverage containers in  
11 any of those counties, if the reverse vending machine does not meet  
12 the following standards:

13 (a) It identifies at least 85% of appropriately marked and  
14 legible designated metal containers that are or are not  
15 nonreturnable containers, and authorizes or provides a refund only  
16 for those containers identified as returnable containers or refuses  
17 to provide or authorize a refund for those containers identified as  
18 nonreturnable containers.

19 (b) It maintains accurate data concerning the number of  
20 beverage containers accepted by that reverse vending machine,  
21 categorized according to the distributor of those beverage  
22 containers.

23 (2) If a reverse vending machine manufacturer demonstrates to  
24 the department's satisfaction that material and technical issues  
25 prevent the reverse vending machine manufacturer from meeting the  
26 requirements of subsection (1) by the date described in that  
27 subsection, the department may grant an extension of that date of

1 not more than 180 days.

2       Sec. 9. (1) Subject to subsection (2), beginning 720 days  
3 after the department certifies that 85% of the installation of new  
4 vision technology for the processing of metal beverage containers  
5 in reverse vending machines in those counties of this state that  
6 border another state, or in those counties in the Lower Peninsula  
7 that are contiguous with a county of this state that borders  
8 another state, is completed, a reverse vending machine manufacturer  
9 shall not lease, sell, or otherwise transfer a reverse vending  
10 machine that processes glass beverage containers or plastic  
11 beverage containers for use in any county of this state that  
12 borders another state, or any county in the Lower Peninsula that is  
13 contiguous with a county of this state that borders another state,  
14 and a dealer shall not use a reverse vending machine that processes  
15 glass beverage containers or plastic beverage containers in any of  
16 those counties, if the reverse vending machine does not meet the  
17 following standards:

18       (a) It identifies at least 85% of appropriately marked and  
19 legible designated glass containers and designated plastic  
20 containers that are or are not nonreturnable containers, and  
21 authorizes or provides a refund only for those containers  
22 identified as returnable containers or refuses to provide or  
23 authorize a refund for those containers identified as nonreturnable  
24 containers.

25       (b) It maintains accurate data concerning the number of  
26 beverage containers accepted by that reverse vending machine,  
27 categorized according to the distributor of those beverage

1 containers.

2 (2) If a reverse vending machine manufacturer demonstrates to  
3 the department's satisfaction that material and technical issues  
4 prevent the reverse vending machine manufacturer from meeting the  
5 requirements of subsection (1) by the date described in that  
6 subsection, the department may grant 1 or more extensions of that  
7 date.

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

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

20 (2) Each dealer shall retain the data described in sections  
21 7(1) and 9(1) for at least 2 years, shall make any of that data  
22 concerning brands distributed by a distributor that provides a  
23 refund to the dealer under section 2(6) of the beverage container  
24 law, MCL 445.572, available for inspection by that distributor, and  
25 shall provide copies of that data to that distributor on request.

26 Sec. 15. (1) Each dealer shall allow the department and any  
27 law enforcement agency to inspect the dealer's reverse vending

1 machines and the data described in sections 7(1) and 9(1) for the  
2 purpose of enforcing this act.

3 (2) If the department receives a complaint of a violation of  
4 this act, the department shall investigate to determine if a  
5 violation of this act has occurred.

6 (3) If the department determines or discovers that a violation  
7 of this act has occurred, the department shall notify the  
8 appropriate law enforcement agency of the violation.

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

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

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

25 (3) A dealer or reverse vending machine manufacturer is not  
26 considered in violation of section 7(1) or 9(1) if the department  
27 has not made money available to the reverse vending machine



1 manufacturer under the beverage container redemption antifraud act  
2 to update the dealer's reverse vending machines.

3 (4) A dealer is not considered in violation of the  
4 requirements imposed on a dealer in section 7(1) or 9(1) if the  
5 dealer uses reverse vending machines provided by a reverse vending  
6 machine manufacturer and the reverse vending machines of that  
7 reverse vending machine manufacturer do not meet the standards  
8 described in subdivisions (a) and (b) of section 7(1) or 9(1).

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

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

27 Enacting section 1. This act takes effect on the date that

1 deposits into the beverage container redemption antifraud fund  
2 created in the beverage container redemption antifraud act from  
3 money appropriated by the legislature equal or exceed  
4 \$1,000,000.00.

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

8 (a) Senate Bill No. 1532 or House Bill No. 6460.

9 (b) Senate Bill No. 1648.