



Senate Fiscal Agency
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House Bills 4780 through 4783 (as reported without amendment)

Sponsor: Representative Mike Mueller (H.B. 4780)
Representative Andrew Fink (H.B. 4781)
Representative Tim Sneller (H.B. 4782)
Representative Tyrone A. Carter (H.B. 4783)

House Committee: Regulatory Reform
Rules and Competitiveness

Senate Committee: Regulatory Reform

CONTENT

House Bill 4781 would amend the beverage container deposit law to require a distributor selling a dealer a nonalcoholic beverage to originate a 10-cent deposit on the container at the time of sale to the dealer and maintain a record of that deposit.

House Bill 4783 would amend the beverage container law to prescribe misdemeanor and felony penalties of varying severity for violations of House Bill 4781.

House Bill 4782 would amend the sentencing guidelines within the Code of Criminal Procedure to include the felonies proposed under House Bill 4783.

House Bill 4780 would amend the beverage container deposit law to do the following:

- Create the "Bottle Bill Enforcement Fund" within the Department of the Treasury.
- Require the first \$1.0 million deposited into the Bottle Deposit Fund to be disbursed to the Bottle Bill Enforcement Fund for the Department of State Police (MSP) to use to enforce the law.
- Specify that if the Bottle Bill Enforcement Fund balance exceeded \$3.0 million at the end of a fiscal year, deposits into the Bottle Bill Enforcement Fund would be suspended until the balance fell below \$2.0 million.
- Require the MSP, three years after the bill's effective date, to report to the Legislature on the efficacy of its enforcement of the law.

House Bill 4780 is tie-barred to House Bills 4781 through 4783. House Bill 4781 and House Bill 4783 are tie-barred. House Bill 4782 is tie-barred to House Bill 4783.

MCL 445.573c (H.B. 4780)
Proposed MCL 445.574c (H.B. 4781)
MCL 771.14h (H.B. 4782)
MCL 445.574 (H.B. 4783)

Legislative Analyst: Christian Schmidt

FISCAL IMPACT

House Bills 4780 and 4781 would have a minor fiscal impact on State government and no fiscal impact on local units of government.

The MSP would receive \$1.0 million in revenue as a result of the proposed new distribution. The increased funding for MSP would result in increased enforcement, along with minor administrative costs, resulting in an indeterminate impact on future bottle return revenue. The revenue would be deposited into the newly created Bottle Bill Enforcement Fund on an ongoing basis. The balance of the Fund at the close of the fiscal year would be limited to \$3.0 million. If the balance reached that level, further deposits would be suspended until the balance was less than \$2.0 million.

The bill would have a negative fiscal impact on the Department of Environment, Great Lakes, and Energy (DEGLE). Because of the distribution to MSP, DEGLE would not receive its 75% share on the reallocated \$1.0 million in initial revenue. However, any revenue changes would be limited to the first \$1.0 million and DEGLE would continue to receive the remaining revenue. That revenue would continue to be deposited into the Cleanup and Redevelopment Trust Fund.

The Department of Treasury would incur minor administrative costs.

House Bill 4782 would have no fiscal impact on local government and an indeterminate fiscal impact on the State, in light of the Michigan Supreme Court's July 2015 opinion in *People v. Lockridge*, in which the Court ruled that the sentencing guidelines are advisory for all cases. This means that the addition to the guidelines under the bill would not be compulsory for the sentencing judge. As penalties for felony convictions vary, the fiscal impact of any given felony conviction depends on judicial decisions.

House Bill 4783's criminal penalties could have a negative fiscal impact on the State and local government. Violations would be punishable as misdemeanors and felonies of different severity. More misdemeanor and felony arrests and convictions could increase resource demands on law enforcement, court systems, community supervision, jails, and correctional facilities. The average cost to State government for felony probation supervision is approximately \$3,400 per probationer per year. For any increase in prison intakes, in the short term, the marginal cost to State government would be approximately \$5,800 per prisoner per year. Any associated increase in fine revenue would increase funding to public libraries.

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