
THE PROBLEM

Distributors aren't the only ones hurt. Michigan's environment and ultimately our residents are the ones who suffer.

- Every year, distributors write a check to the Michigan Department of Treasury accounting for all the dimes collected on unreturned containers.
- The eleven percent of deposit containers that were not returned to stores generated \$32 million in so called unclaimed deposits earmarked to fund environmental programs in 2019.
- However, that number is smaller than it should be. Dimes paid by Michigan distributors to retailers on account of the out-of-state containers cut into the unclaimed deposits available for environmental programs and prevent the fund from growing even larger.

THE SOLUTION

Michigan needs to crack down on this scam and protect Michigan's bottle returns process. House Bills 5422-5425 are the way to do it.

- House Bill 5422 makes it a crime to sell carbonated beverages without first initiating the deposit. Making this scam illegal is the first step in stopping this activity.
- House Bill 5423 directs \$1 million from the unclaimed deposit fund to police enforcement and ends this fraud.
- And finally, those caught should be held accountable. House Bill 5424 and House Bill 5425 establish and codify the financial and criminal repercussions and sentencing guidelines associated with this abuse.

***IT'S TIME TO STOP THE SCAM.
SUPPORT HOUSE BILLS 5422-5425***



THE PROBLEM

Michigan's bottle return law is being abused, and it's costing Michigan businesses and residents jobs and money. Here's how the scam works:

- Without paying the 10-cent deposit, unscrupulous distributors are purchasing large quantities of soft drink beverages from neighboring non-deposit states and Canada and reselling them to Michigan retailers.
- That 10 cents per container is pure profit for these outfits—every 24-pack sold can generate an ill-gotten \$2.40 and is driving the scam.

This isn't a victimless crime. Honest Michigan distributors are footing the bill to the tune of \$10 million a year and many Michigan union jobs are at risk.

- When a consumer returns a container to a store, the retailer hands over a dime, but the store is only out-of-pocket that dime until their empties are picked up.
- Law-abiding Michigan distributors who also sold soft drinks to retailers eventually return to pick up any of the returned deposit containers.
- For each empty picked up, they pay the retailer a dime—a dime they believe they had initially collected when they first sold their goods.
- However, the retailers are also being paid by the Michigan distributor 10 cents for any returned cans generated by the sales from deceitful distributors.
- All of these factors hit the bottom line of good Michigan distributors who employ union workers across the state.

