



To: House Regulatory Reform Committee
From: Nicholas Occhipinti, Michigan League of Conservation Voters
Date: March 9, 2021
Re: Opposed; House Bill 4444 Allows for Redistribution of Beverage Container Escheat

Chairman Hauck and Members of the Committee on Regulatory Reform:

Overview

HB 4443 would establish a refundable income tax credit, tied to inflation, for beverage container distributors. HB 4444 would allow for the transfer of funds from the bottle deposit fund (and correspondingly, MI contaminated site clean up) to pay for the same tax credits at the discretion of the Treasury. Michigan has a large and expanding number of contaminated sites; therefore, we cannot afford to limit the amount of funding available for contamination cleanup. Michigan LCV requests the committee oppose HB 4444. We are not taking a position on HB 4443 at this time.

Protecting Michigan's Public Health and Environment

Michigan has more than 20,000 registered contaminated sites across the state, and we are constantly discovering more. These sites threaten our state's natural resources and our public health by exposing our people, rivers, lakes, streams, and groundwater to toxic chemicals like PFAS, vapor, and heavy metals. Michigan's bottle deposit system is a substantial source of funding for Michigan's contaminated site clean up program under Part 201 of the state's Natural Resources and Environmental Protection Act. To shrink the vast number of contaminated sites that exist in every county across the state, we must increase our capacity (dollars, staff, and preventative policy) to clean up and remediation - not allow for the indefinite transfer of an estimated \$20+ million in annual funding.

Ensuring Taxpayers Are Not Held Responsible for Corporate Mistakes

By allocating funds for contaminated site clean up through our bottle deposit system, Michigan has established a unique way to ensure that contaminated sites are eventually addressed while alleviating the burden on current taxpayers to shoulder the costs of previous polluters, companies and consumers. However, remediating and redeveloping contaminated sites is an expensive process that may increase the longer sites are unaddressed. We must ensure that we are allocating adequate resources to addressing contaminated sites across the state before contamination spreads, which makes the cleanup process more arduous and expensive.

Expanding the Bottle Bill Will Pull Litter Out of Michigan's Water and Grow Available Funds

Expanding the state's current 10-cent deposit on certain soft drinks, beer, other carbonated and non-carbonated beverages would keep more containers out of Michigan's water and off our land. Well crafted legislation could continue to provide funding to address contaminated site cleanup, reimburse both distributors and dealers for their role in maintaining the system, while making funding available for fraud enforcement and audit. Approaching this issue from a broad perspective that protects Michigan's environment, taxpayers, and bottle bill businesses is preferable to legislation designed only to reward special interests.