

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.



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. Four bills will soon be introduced to:

- Make it a crime to sell carbonated beverages without first initiating the deposit. Making this scam illegal is the first step in stopping this activity.
- Direct \$1 million from the unclaimed deposit fund to police enforcement and ends this fraud.
- Hold those caught accountable by establishing and codifying the financial and criminal repercussions and sentencing guidelines associated with this abuse.

IT'S TIME TO STOP THE SCAM.



COMMENTARY

Make it a crime to defraud Michigan's bottle deposit system

BY MIKE MUELLER, TIM SNELLER, TYRONE CARTER AND ANDREW FINK

Imagine you are the owner of a neighborhood grocery store, gas station or party store. Someone walks in and says they just bought some pallets of soft drinks across the state line.

Since there is no container deposit law in any of our neighboring states, a 10-cent deposit was not added on to the purchase price of each beverage when it was purchased there.

This person tells you they can consequently sell to you at a lower cost than you are charged from your regular Michigan Coke, Dr Pepper or Pepsi distributor.

Over the past decade, a growing number of deceptive distributors are importing out-of-state beverages by the truckload into Michigan and selling them to retailers without first initiating the deposit.

This practice costs Michigan-based beverage companies more than \$10 million annually — robbing Michiganders of jobs and the state's unclaimed deposit fund of millions of dollars each year.

Our bill package seeks to stop this deceptive practice.

In 2019, 89 percent of the containers on which a deposit was paid were returned. The 11 percent of deposit containers which were not redeemed at Michigan stores generated nearly \$43 million.

Approximately 25 percent of that fund (roughly \$11 million) was distributed to retailers to help with a small portion of their labor and machine costs.

The other 75 percent — about \$32 million — is captured by the state and sent to the Department



Left to right: State Rep. Mike Mueller is a Republican from Linden. Rep. Tim Sneller is a Democrat from Burton. Rep. Tyrone Carter is a Democrat from Detroit. Rep. Andrew Fink is a Republican from Hillsdale.

of Energy, Great Lakes and Environment, which uses the funds for employees overseeing environmental cleanup sites.

When we stop those scamming the deposit law by bringing in out-of-state containers on which no deposit was initiated, the redemption rate will stop being artificially inflated by the imported cans, and the state will gain more revenue.

There are now only 10 states with a bottle deposit law. As a state surrounded by non-deposit states, we are finding beverages imported from Ohio, Indiana, Illinois, Wisconsin and even Canada.

Often, these operations move product out of nondescript warehouses into convenience and party stores throughout the state.

The states that have been successful in investigating and apprehending those who are manipulating deposit laws have only been successful when they made it a priority and devoted the resources necessary to conduct the kind of surveillance and investigative work needed to bring a

case.

Our legislation seeks to do the following:

- ▶ Make it a crime to sell carbonated beverages without first initiating the deposit.

- ▶ Give law enforcement the tools to catch those who break the law by directing \$1 million from the state's unclaimed deposit fund to the Michigan State Police and local police agencies.

- ▶ Hold those performing these acts accountable by establishing and codifying financial and criminal repercussions and sentencing guidelines associated with this abuse.

Through passage of these bills, we can ensure we are purchasing soft drinks made and delivered by Michiganders and stop those currently robbing from the state's unredeemed deposit fund.

A GROWING NUMBER OF DISTRIBUTORS ARE IMPORTING OUT-OF-STATE BEVERAGES BY THE TRUCKLOAD.

COCA COLA

ITEM	DESCRIPTION	PRICE
• Cola 20oz	24pk	\$22.50
• Cola 16oz	24pk	\$17.50
• Cola 2l	12pk	\$19.50
• Cola Cans 12oz	24pk	\$11.00
• Cola Cans 12oz	15pk	\$13.50
• Cola 2l	6pk	\$11.50
• Cola Cans 12oz	24pk	\$24.00
• Sprite Cans 12oz	24pk	\$24.00
• Fanta Orange 12oz	24pk	\$24.00
• Monster 16oz	24pk	\$32.50
• Monster 24oz	12pk	\$34.50
• Monster Cans	12pk	\$28.00
• Monster Muscle	12pk	\$28.00
• Monster Extra Strength	12pk	\$21.00



COCA COLA

• Diet Coke 16oz	24pk	\$7.50
• Diet Coke 20oz	24pk	\$14.50
• Diet Coke 1l	12pk	\$15.50
• Smart 16oz	24pk	\$23.50
• Smart 1l	12pk	\$15.50
• Smart 1.5l	12pk	\$23.50
• Smart Sport Cap	24pk	\$23.50
• Vitamin Water 20oz	24pk	\$23.50
• Vitamin Water 16oz	12pk	\$21.50
• Vitamin Water 16oz	24pk	\$27.50
• Powerade 20oz	15pk	\$14.50
• Powerade 37oz	24pk	\$15.50
• NOS Energy 16oz Cans	24pk	\$30.00
• NOS Energy 16oz Cans	24pk	\$30.00



7-UP

ITEM	DESCRIPTION	PRICE
• 7UP 20oz	24pk	\$7.50
• 7UP 16oz	24pk	\$14.50
• 7UP 1l	24pk	\$13.50
• 7UP 1.5l	19pk	\$23.50
• 7UP Cans 12oz	8pk	\$15.50
• 7UP Cans 12oz	24pk	\$23.50
• 7UP 1l	24pk	\$23.50
• 7UP 1.5l	12pk	\$23.50
• 7UP 1.5l	12pk	\$23.50
• Body Armor Juice	12pk	\$15.50



• 7UP 20oz	24pk	\$7.50
• 7UP 16oz	24pk	\$14.50
• 7UP 1l	24pk	\$13.50
• 7UP 1.5l	19pk	\$23.50
• 7UP Cans 12oz	8pk	\$15.50
• 7UP Cans 12oz	24pk	\$23.50
• 7UP 1l	24pk	\$23.50
• 7UP 1.5l	12pk	\$23.50
• 7UP 1.5l	12pk	\$23.50
• Body Armor Juice	12pk	\$15.50



7-UP

ITEM	DESCRIPTION	PRICE
• 7UP 20oz	24pk	\$19.50
• 7UP 16oz	24pk	\$19.50
• 7UP 1l	15pk	\$23.00
• 7UP 1.5l	8pk	\$11.50
• 7UP Cans 12oz	24pk	\$11.00
• 7UP 16oz	24pk	\$23.50
• 7UP 1l	12pk	\$20.50
• 7UP 1.5l	12pk	\$24.00
• 7UP 1.5l	12pk	\$19.50
• Body Armor Juice	12pk	\$15.50



7-UP

• Evian 1.5l	24pk	\$23.50
• Evian 1l	12pk	\$19.50
• Evian 1.5l	12pk	\$24.00
• Neuro Energy	12pk	\$21.50
• Red Bull Box	24pk	\$14.00
• Red Bull 12oz	24pk	\$24.00
• Red Bull 16oz	12pk	\$24.00
• Red Bull 20oz	12pk	\$24.00
• Energy Delight 16oz	12pk	\$12.00
• Yohohop Cans 16oz	24pk	\$23.50
• Venom Energy 16oz	24pk	\$17.50
• Mystic Class 16oz	12pk	\$9.50



Total Fat / Lipides	0 g	0 %
Sodium / Sodium	25 mg	1 %
Carbohydrate / Glucides	39 g	13 %
Sugars / Sucres	39 g	

Protein / Protéines 0 g

Not a significant source of saturated fat, trans fat, cholesterol, fibre, vitamin A, vitamin C, calcium and iron.

Source négligeable de lipides saturés, acides gras trans, cholestérol, fibre, vitamine A, vitamine C, calcium et fer.

 Bottled in Canada
Embouteillé au Canada



 @/MD
Please recycle
Veuillez recycler

PHILIP L. LITTON, LTD.
400-438-2653

SUBWAY

WAY UNDER
NEW MANAGEMENT!

MANESSA'S
GREAT FOOD L.L.C

MANESSA'S GREAT FOOD L.L.C
15000 231-5114





