

Plan to curb fraud on deposits is OK'd

5 beverage bills off to House, Senate

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LANSING — A House committee on Thursday took the first steps to curb the smuggling of tens of millions of beverage cans and bottles from other states by people who cash in on Michigan's 10-cent deposit refund.

The practice — made famous in an episode of the TV sitcom "Seinfeld" — costs the state millions of dollars in rev-

enue and causes financial problems for retailers and beverage distributors who pay out more in bottle and can refunds than they take in for deposits.

A five-bill package approved by the House Great Lakes and Environment Committee would require retailers in counties that border other states to alter their can and bottle return machines so they reject containers not sold in Michigan.

The legislation creates penalties for those who illegally redeem bottles and cans from other states, and for retailers who knowingly accept them.

The bills face a tough test in the House and Senate.

The package needs a three-fourths vote of both chambers to pass because it would change a 1976 constitutional amendment that created the state's bottle deposit law.

The House bills would allocate \$500,000 from the state to help a limited number of re-

tailers pay for retrofitting the self-serve can and bottle return machines.

Retailers and soft drink manufacturers oppose the bills as too costly.

Beverage makers such as Coke and Pepsi would be required to put special marks on all beverage cans sold in Michigan so they could be read by deposit return machines.

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