



**House
Legislative
Analysis
Section**

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SURCHARGE ON SOLID WASTE DISPOSAL

House Bill 4633 (Substitute H-3)
First Analysis (5-10-89)

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JUN 06 1989

Sponsor: Rep. Carl F. Gnodtke
Committee: Conservation, Recreation, & Environment
Mich. State Law Library

THE APPARENT PROBLEM:

Many townships around the state incur costs due to the operation of landfills within their jurisdiction. Several townships complain of costs due to destruction of roads from the transport through the township of solid waste to landfills for disposal, decreased property values near landfills, garbage blown to roadsides from trucks transporting solid waste to landfills, and incessant calls from concerned citizens about landfills. Many townships do not benefit monetarily from the operation of landfills within their jurisdiction and are not in a financial position to cover the costs associated with operation of a landfill. Legislation has been proposed to allow townships to recoup costs associated with the operation of landfill.

THE CONTENT OF THE BILL:

The bill would amend the Solid Waste Management Act to allow a municipality to impose a surcharge of not more than seven cents per cubic yard on solid waste disposed of in a landfill located within the municipality that was open to the public and used to dispose of solid waste collected from two or more persons. However, the surcharge allowed to be assessed to each landfill under the bill would be reduced by any amount of revenue paid to or available to the municipality from the landfill under the terms of any preexisting agreements. Unless a trust fund was established by a municipality under the bill, the revenue collected by a municipality would be deposited in its general fund to be used for any cost incurred by the municipality related to the operation of the landfill. The bill would prohibit the use of revenue collected under the bill to bring or support a lawsuit or other legal action against the owner or operator of a landfill who collected the surcharge unless the owner or operator had instituted a lawsuit or other legal action against the municipality.

The bill would allow a municipality to establish a trust fund to receive revenue collected under the bill. The trust fund would be administered by a board of trustees consisting of the following members:

- the chief elected official of the municipality creating the trust fund;
- an individual from the municipality appointed by the governing board of the municipality; and
- an individual approved by the owner or operator of the landfill within the municipality and appointed by the governing board of the municipality.

Money in the trust would be used for any purpose approved by a majority of the board except for the purpose of initiating or supporting legal action against the owner or operator of a landfill who was collecting a surcharge unless the owner or operator of the landfill had instituted legal action against the municipality.

FISCAL IMPLICATIONS:

Fiscal information is not available at this time. (5-9-89)

ARGUMENTS:

For:

Most townships receive no monetary benefits from the operation of a privately owned or commercially operated landfill within their jurisdiction. Therefore, townships are often stuck with the bill for costs associated with the operation of the landfill without any means of generating funds from the landfill to cover the costs. The bill would provide for a means of reimbursement to townships money for costs incurred due to the operation of landfills within their jurisdiction.

Against:

The bill does not limit the purpose for which surcharge money may be used; therefore, it is possible that money collected for the surcharge may be used for purposes not specified in the bill. Since the bill specifically allows money generated in trust funds under the bill to be used for any purpose approved by the majority of the trustees, it is quite probable that surcharge money would be used for needs other than those created by the operation of a landfill within the township.

POSITIONS:

The Michigan Recreation and Park Association supports the bill. (5-9-89)

The Michigan Townships Association supports the bill. (5-9-89)

The Michigan United Conservation Clubs supports the bill. (5-9-89)

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