

## MICHIGAN RECYCLING ACT

House Bills 4954 and 4955

Sponsor: Rep. Tom Alley

Committee: Conservation, Recreation &  
Environment

Complete to 9-6-91

### A SUMMARY OF HOUSE BILLS 4954 and 4955 AS INTRODUCED 6-12-91

House Bills 4954 and 4955 would create the Michigan Recycling Act and amend the Solid Waste Management Act, respectively, to provide for a comprehensive recycling program. A description of the bills' provisions follows:

House Bill 4954 would create the Michigan Recycling Act to regulate recycling and provide for the marketing of certain recyclable materials. The bill would require that 30 percent of the state's solid waste, not including materials that could be composted, be recycled by July 1, 1995, and 60 percent recycled by July 1, 2000. The bill would also require that newspapers contain an increasing percentage of recycled fibers, from 11 percent in January, 1992, to 50 percent by January, 1999. In addition, the bill would establish standards for the proportion of an item, by weight or other measure, that was recycled material, and statewide recycling rates for paper, steel, aluminum, copper, glass, foam polystyrene, and plastics, as follows:

#### State Standards for Recycled Material Content

Material	Standard for Minimum Percentage by Weight of Recycled Material Content	Standard for Minimum Percentage by Weight of Postconsumer Material Content
Paper and paper products:		
High-grade printing and writing papers	50	20
Low-grade paper	50	40
Paperboard	90	35
Corrugated	90	35
Magazines	50	20
Steel:		
Packaging or container	30	15
Products	75	15
Aluminum:		
Packaging or container	75	70

House Bills 4954 and 4955 (9-6-91)

Products	85	15
Copper	50	50
Glass:		
Packaging or container	75	70
Foam polystyrene	30	50
Plastics:		
A. Polyethylene		
Terephthalate (PETE)	75	70
I) Packaging or container	-	-
II) Products	50	15
B. High-density		
Polyethylene (HDPE)		
I) Packaging or container	75	70
II) Products	50	15
C. Vinyl (V)		
(I) Packaging or container	30	15
(II) Products	50	15
D. Low-density		
Polyethylene (LDPE)		
I) Packaging or container	30	15
II) Products	50	15
E. Polypropylene (PP)		
(I) Packaging or container	30	15
(II) Products	50	15
F. Polystyrene (PS)		
(I) Packaging or container	30	15
(II) Products	50	15
G. Multi-layer		
or other plastics		
(I) Packaging or container	30	15
(II) Products	50	15

## Statewide Recycling Rate Standards

Material	Statewide Recycling Rate
Paper and paper products:	
Newspaper	75
High-grade printing and writing papers	75
Low-grade paper	50
Paperboard	50
Corrugated	75
Magazines	50
Steel packaging or container	70
Aluminum packaging or container	70
Copper	50
Glass packaging or container	70
Foam polystyrene	50
Plastics:	
A. Polyethylene Terephthalate (PETE), packaging or container	70
B. High-density Polyethylene (HDPE) packaging or container	70
C. Vinyl (V) packaging or container	50
D. Low-density polyethylene (LDPE) packaging or container	50
E. Polypropylene (PP) packaging or container	50
F. Polystyrene (PS) packaging or container	50
G. Multi-layer or other plastics packaging or container	50

Recyclable Newspapers. The bill would require that newsprint have a specific recycled fiber content (the percentage of fiber that is derived from postconsumer wastepaper) by the following dates:

- By January 1, 1992, 11 percent recycled fiber content.
- By January 1, 1993, 16 percent recycled fiber content.
- By January 1, 1994, 20 percent recycled fiber content.
- By January 1, 1995, 23 percent recycled fiber content.

By January 1, 1996, 31 percent recycled fiber content.  
 By January 1, 1997, 40 percent recycled fiber content.  
 By January 1, 1998, 45 percent recycled fiber content.  
 By January 1, 1999, 50 percent recycled fiber content.

The owner or operator of a newspaper who violated these requirements would be subject to a civil fine of \$5 per ton of postconsumer recycled fiber that represented the shortfall in meeting the requirements. The money would be deposited into the Recycling Trust Fund.

**Definitions.** Under the bill, "household hazardous waste" would mean the following household products or materials that contained hazardous constituents: artists' paints and mediums, dry cleaning solvents, fiberglass epoxy, gun cleaning solvents, lighter fluid, moth balls, smoke detectors, photographic chemicals, shoe polish, swimming pool or spa chemicals, nail polish, nail polish removers, floor care products, furniture polish, metal polish, oven cleaners, paint brush cleaners with solvent, cutting oils, solvent based glue, latex paint containing mercury, oil based paint, paint thinners and strippers, primers, rust removers, turpentine, varnish, wood preservatives, battery acid, car wax containing solvents, diesel fuel, fuel oils, gasoline, kerosene, metal polish containing solvents, other petroleum based oils, home and commercially available pesticides, including herbicides, fungicides, rat poisons, and weedkillers. The director of the Department of Natural Resources could promulgate rules that added or clarified items on this list. "Postconsumer waste" would mean solid waste other than sold waste generated in the production of goods, or hazardous waste, as defined under the Hazardous Waste Management Act. "Recyclable material" would be defined as those materials or products in postconsumer waste for which there was a commercially available processing or manufacturing technology that used the material or product as a raw material.

**Recycling Trust Fund.** The bill would create a Recycling Trust Fund within the state treasury, into which money or assets from any source could be deposited. Five percent of the money in the fund would be used by the board, upon appropriation, for its staffing and administrative costs and for the programs established under the bill. Money remaining in the fund at the close of the fiscal year would not revert to the general fund.

**Michigan Recycling Board.** Under the bill, a seven member Michigan Recycling Board would be created within the Office of Solid Waste Disposal Oversight in the Department of Commerce. The board could amend the standards established in the bill and would report annually to the legislature on the percentage of solid waste that had been recycled during the previous year. It would also be required to promulgate rules establishing the reporting requirements and criteria for assembling this information, and to develop a computer data base related to the information required for the report. Under the bill, a person involved in solid waste management, or in the manufacture, distribution, collection, disposal, or recycling of any of the products listed above, could be asked to provide information -- other than trade secrets -- to the board. If he or she refused to comply with this request, the attorney general could either petition for a warrant authorizing access to the information, or commence a civil action to compel compliance.

State Priorities for Market Development. The Michigan Recycling Board would promulgate rules to establish state priorities for the development of markets for materials derived from postconsumer waste, and use these priorities to guide market development assistance programs. State priorities would give preference to market development efforts that accomplished both of the following objectives:

a) Strengthened or expanded an existing market for a material for which the demand was insufficient to consume the projected supply, or for which the price was low relative to the cost of separating the material from solid waste, processing the material, or transporting the material to market.

b) Created a new market for a material that provided a higher price for the material, or a lower separation, processing, or transportation cost, than existing markets.

The board would also promulgate rules to establish the following programs:

I. Loan Program. The board would administer a loan program, providing loans of up to \$1 million to new or expanding businesses, to be used for capital expenses to produce a product made from one or more materials recovered from post consumer waste, or for the production or acquisition of equipment necessary to make the product, provided that the board determined that the production was consistent with state priorities. The board would also guarantee eligible loans made by private participating lenders -- banks, credit unions, savings and loan associations, or other institutions -- to finance equipment. The board would guarantee a loan for a program that met the following criteria:

-- its purpose was to finance any physical plant, machinery, or equipment to produce, in the state, a product made from materials recovered from postconsumer waste, and the borrower didn't meet the lender's minimum standards of credit worthiness to receive a loan for one of these purposes;

-- the total principal amount of all guaranteed loans to the borrower did not exceed \$1 million;

-- the lender obtained a security interest in the physical plant, equipment, machinery, or other assets;

-- the loan term didn't extend beyond five years beyond the disbursement date;

-- the lender considered the borrower's assets, cash flow, and managerial ability sufficient to preclude voluntary or involuntary liquidation for the term of the loan;

-- the lender agreed to the board's percentage of guarantee established for the loan;  
and

-- the total amount of principal for all loans that could be guaranteed was \$10 million.



**II. Market Development Grant Program.** The board would establish a market development grant program to encourage the expansion of the use of recycled materials and the development of innovative technologies to use them. Grants would be awarded to a municipality, nonprofit private entity, or private entity in the state that involved in a project that was beyond the research stage, and that had been demonstrated to be technically feasible. In selecting grant recipients, the board would consider the following factors:

- all required state and federal permits that were specifically applicable to the nature of the proposed project had been obtained;

- the contribution that the project would make toward the goal of increasing the use of recycled materials;

- the market's need for the development of, and the potential impact of, the technology or equipment on the cost effectiveness of using recycled materials;

- the potential for development of new resource recovery markets and for the generation of positive economic impacts;

- the potential of the project for commercial application;

- the stage of development of the technology or equipment proposed to be used in the project;

- the environmental, economic, and social benefits to the state of the development of the technology or equipment;

- the future sources of capital funding for the project;

- the extent to which the applicant has committed land, buildings, personnel, support services, or funds to the project; and

- the potential of the project for developing multiple markets.

Under the bill, the board would be required to develop information on new markets for materials recovered from solid waste that had been developed by other states, the federal government, or private businesses; a directory describing available state financial assistance; information on developing or expanding recycling businesses; and a clearinghouse of information regarding users and generators of recycled materials. The board would also contract with an individual, partnership, corporation, association, or nonprofit entity that warehoused, served as a broker, facilitated the flow, and established facilities for the storage, processing, or reprocessing of recycled materials to operate a statewide cooperative marketing services. In addition, the board would establish:

- a recycling education program to promote the purchase of recycled materials and to develop promotional materials that municipalities could distribute to support their efforts to promote the purchase of recycled products;

-- statewide market development research studies to assess current markets and the potential and means for expansion of markets for recycled materials; and

-- a market development plan based on market development research study to identify and eliminate the barriers in attracting or expanding industries that use recycled materials.

Under the bill, the Office of Solid Waste Disposal Oversight would serve as project coordinator for the market development study, which would be funded and administered by the board.

**III. Recyclable Materials Waste Stream Assessments.** The board would be required to conduct a series of recyclable materials waste stream assessments to determine the characteristics of the recyclable materials waste stream, and to document seasonal fluctuations in the volume of recyclable materials. The following criteria would be used in determining appropriate sites:

-- the extent to which the owners of the disposal areas in the proposed study site would enlist the cooperation of solid waste haulers and provide an area for scales, composition studies and temporary shelter during inclement weather;

-- the likelihood that the data resulting from the assessment of the proposed site would be usable or useful in evaluating the recyclable materials waste stream in other areas;

-- the likelihood that a resource recovery project or projects would be undertaken at the proposed site;

-- the extent to which selection of the site contributed to the achievement of a balanced distribution of assessments throughout the state; and

-- the availability of a scale at the proposed site.

**IV. Recycling Rebate Program.** The board would establish a recycling rebate program by doing either, or both, of the following:

1) Offsetting the increased costs of making products that use waste as a raw material, or components made from waste, in order to make such products competitive with products made with new materials.

2) Establishing and expanding enterprises that developed or manufactured recycled products in the state, with emphasis on supporting them during start-up and expansion periods.

In order to be eligible for a rebate, a sole proprietorship, association, partnership, or corporation would have to be located in the state; make products using either waste as a raw material or components made from solid waste; establish policies that gave preference to solid waste generated in the state; demonstrate sufficient management expertise and

market opportunities to remain self-sustaining after receiving the rebates; and ensure that at least 80 percent of the solid waste used was generated in the state for each year in which it received a rebate. The board would identify types of recycling activities that were eligible for rebates, and would establish a rate of payment based on the amount that it determined necessary to accomplish the purposes of both the program and of the state market development priorities. The amount of a rebate would be based on the recipient's increased use of waste as a raw material in a manufacturing process. The board could also enter into an agreement to pay an annual recycling rebate for up to five years to an eligible recipient.

**V. Advance Disposal Fees and Stamps.** Effective October 1, 1992, the bill would prohibit the sale of a product by a wholesaler that did not have a label or advance disposal fee stamp affixed to it. Stamps would be provided free of charge by the board for products that met either the recycling rate or both recycled material content standards; otherwise the cost would be one cent per stamp, or one cent for an advance disposal fee. Different stamps and labels would be provided for products that met recycling rate or content standards and those that did not. Beginning October 1, 1996, the cost for both would be increased to two cents per product. A wholesaler could deduct \$150, or three-quarters of one percent, as an administrative expense. All moneys received would be forwarded by the board to the state treasurer. However, should the board determine that state recycling standards had been met for one or for all products for the previous year, it could suspend the advance disposal fee and stamp requirements. The requirements could not again be reinstated unless the board held at a subsequent annual determination that state recycling standards were not being met.

**House Bill 4955** would amend the Solid Waste Management Act (MCL 299.403 et al.) to prohibit construction permits for municipal solid waste incinerators being issued for a period of five years after the bill's effective date, and to provide for a comprehensive recycling program. The bill would establish the following deadlines:

**Deadlines for Disposal of Solid Waste.** The bill would identify certain products determined to be hazardous to the public health or the environment, and would establish the following deadlines, after which the disposal of these products in landfills or incinerators would be prohibited:

Product	Prohibition	Deadline
A) Batteries; household hazardous waste; and major appliances	May not be disposed of in a landfill or municipal solid waste incinerator	January 1, 1993
B) Tires	May not be disposed of in a landfill	January 1, 1993
C) Glass containers of all colors; newsprint; ferrous and nonferrous metals	May not be disposed of in a landfill, municipal solid waste incinerator, or other incinerator	January 1, 2001



Product	Prohibition	Deadline
D) Any product not specified above that is determined to be recyclable, or hazardous to human health or the environment	May not be disposed of in a landfill or incinerator	None (prohibited when ruled upon by Michigan Recycling Board)

**Solid Waste Hauling.** Beginning two years after the bill's effective date, a solid waste hauler operating in a municipality with 25,000 or more residents would be required to provide curbside collection of recyclable materials. Under the bill, "curbside collection" could include a central collection location in apartment complexes. Materials would be collected as follows:

I. Residential customers: newsprint, glass of all colors, ferrous and nonferrous metals, and any product or material that the Michigan Recycling Board or the directors of the Departments of Natural Resources and Public Health had determined to be either recyclable or hazardous to the public health or environment. In addition, at least two other recyclable materials, which the hauler could select from the following list: corrugated cardboard; high-grade paper; low-grade paper, including mixed paper, magazines, or telephone books; polyethylene terephthalate (PETE); high density polyethylene (HDPE); vinyl (V); low density polyethylene (LDPE); polypropylene (PP); polystyrene (PS); or multi-layer or other plastics.

II. Nonresidential customers: at least three recyclable materials, selected by the hauler.

The bill would impose the following requirements upon solid waste haulers:

-- A hauler who was required to provide curbside collection of recyclable materials would have to provide the collection at least as frequently as that provided for the collection of other solid waste.

-- A hauler who was required to provide curbside collection of recyclable materials could not mix solid waste with separated recyclable materials during their loading and transportation.

-- A hauler operating in a municipality of less than 25,000 residents would have to provide and maintain at least one permanent drop-off site for each 10,000 residents to collect newsprint, glass of all colors, and ferrous and nonferrous metals. In addition, the collection would include products determined to be recyclable, and at least two products determined to be hazardous to public health or the environment, as outlined in D), above. (Note: The bill does not specify an effective date for this provision)

-- A solid waste hauler would not have to provide curbside collection or a drop-off site if a recycling service that met the requirements of the bill were already operating within a municipality .

-- A person who contracted for the collection of solid waste with a hauler who provided curbside collection of recyclable materials would be required to separate the recyclable materials from other solid waste, and to comply with the reasonable requirements of the hauler for the recyclable material's preparation. A hauler could refuse to collect solid waste if the recyclable material identified by the hauler had not been separated or prepared.

House Bill 4955 is tie-barred to House Bill 4954.