



**House
Legislative
Analysis
Section**

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RECYCLING TAX

House Bill 5410

Sponsor: Rep. Mary C. Brown

Committee: Towns and Counties

Complete to 1-31-92

A SUMMARY OF HOUSE BILL 5410 INTRODUCED 12-12-91

House Bill 5410 would amend the Urban Cooperation Act to permit local units of government to alter the method by which recycling surcharges are calculated; to add delinquent recycling surcharges to tax bills; and to clarify current provisions regarding referendums.

Maximum Surcharge. Currently, under the act, a county may, by resolution, impose a surcharge on each household for the collection of materials for recycling or composting. A county may collect up to \$2 per month or \$25 per year per household. The bill would require that the Department of Natural Resources (DNR) annually adjust the maximum surcharge that a county may impose. Beginning January 1, 1992, the maximum surcharge would be adjusted on January 1 of each year by multiplying the current maximum surcharge authorized under the act (\$25), by the increase or decrease between the Consumer Price Index (CPI) for the 12-month period ending on the preceding October 31 and the corresponding CPI of one year earlier, rounded up to the nearest half dollar. The maximum surcharge for 1992 would be calculated as follows:

$(\text{CPI for year ending 10-31-91} - \text{CPI for year ending 10-31-90}) \times \25

= maximum surcharge for 1992.

The CPI would mean the annual average percentage increase in the Detroit Consumer Price Index for all items, as reported by the U.S. Department of Labor. The adjusted maximum surcharge would be announced by the DNR on or before December 15 of each year, and provided upon request.

Delinquent Surcharges. The bill would permit a local government that had the responsibility for collecting a surcharge under an interlocal agreement to do either of the following:

a) Annually certify amounts that were delinquent for three months or more to the proper tax collecting officer. The amounts would be entered in a separate column on the next tax roll, and considered a lien against the property for the household on which the surcharge was imposed.

b) Certify the surcharge to the proper tax collecting officer, to be entered directly in a separate column on the next tax roll against the property. The surcharge would be collected in the same manner as property taxes, and the amounts entered on the tax roll

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would become a lien against the property for the household on which the surcharge was imposed.

The payment of a surcharge could be enforced by discontinuing collection services to the household against which the surcharge was imposed. A surcharge entered in a separate column on the tax roll that was not paid before February 15 would be returned to the county treasurer and collected in the same manner as delinquent taxes. However, if the local governmental unit responsible for collecting a surcharge under an interlocal agreement were given written notice that a tenant was responsible for the payment, and the notice included a true copy of the lease of the affected household, then the surcharge would not become a lien against a property. If such notice were given, then the county or agency would render no further collection services to the household on which the surcharge was imposed until a cash deposit, in a sum fixed in the interlocal agreement, was made as security. None of the provisions of the bill would limit a local governmental unit's authority to collect a surcharge by any other legal debt collection means.

Referendum Provisions. Currently, under the act, a local governmental unit must hold a referendum on the subject of rejecting or terminating an interlocal agreement upon petition of ten percent of the electors. Under the bill, a local governmental unit would cease to be a party to an interlocal agreement one month after the date of an election if the electors voted to terminate it.

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