



**House Bill 4421**

**Sponsor: Rep. Mary C. Brown**

**Committee: Local Government**

**Complete to 3-22-93**

**A SUMMARY OF HOUSE BILL 4421 AS INTRODUCED 3-3-93**

House Bill 4421 would amend the Urban Cooperation Act to permit local units of government to alter the method by which recycling rates or charges are calculated to index the rate to the Consumer Price Index (CPI); to add delinquent recycling rates or charges to tax bills; and to clarify that the rate or charge would be imposed, not on the household that occupied a dwelling unit, but on the owner of a property that was used primarily for residential purposes. The bill would also clarify current provisions regarding referendums.

Maximum rates or charges. Currently, under the act, a county may, by resolution, impose a surcharge of up to \$2 per month or \$25 per year on each household for the collection of materials for recycling or composting. The bill would replace the term "surcharge" with the term "rate or charge," and would require that the Department of Natural Resources (DNR) annually adjust the maximum rate or charge that a county may impose. Beginning January 1, 1994, the maximum rate or charge would be adjusted on January 1 of each year by multiplying the current maximum rate or charge authorized under the act (\$25 for each dwelling unit occupied by a single household), 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 multiple of 50 cents. The maximum rate or charge for 1994 would be calculated as follows:

$$(\text{CPI for year ending 10-31-92} - \text{CPI for year ending 10-31-91}) \times \$25 = \text{maximum rate or charge for 1993.}$$

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 rate or charge would be announced by the DNR on or before December 15 of each year, and provided upon request.

Delinquent rates or charges. The bill would permit a local government that had the responsibility for collecting a rate or charge 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 that included the dwelling unit for which the rate or charge was imposed.

b) Certify the rate or charge to the proper tax collecting officer, to be entered directly in a separate column on the next tax roll against the property, for initial collection in the same manner as property taxes. The amounts entered on the tax roll would become a lien against the property that included the dwelling unit for which the rate or charge was imposed.

A rate or charge 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. In addition, the payment of a rate or charge could be enforced by discontinuing collection services to the property that included the dwelling unit for which the rate or charge was imposed. None of the provisions of the bill would limit a local governmental unit's authority to collect a rate or charge by any other legal debt collection means.

Referendum Provisions. Currently, under the act, a county must enter into an interlocal agreement with local units of government before it imposes a recycling fee, and petitions for a referendum election on the question of entering the interlocal agreement may be filed no later than six months following adoption of the county's resolution to impose the surcharge. A local governmental unit must hold a referendum if ten percent of the electors petition to reject or terminate an interlocal agreement. 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 referendum was held after the local governmental unit had entered into an interlocal agreement and the electors voted to terminate it.

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