



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 941 (Substitute S-2 as reported)
Sponsor: Senator George A. McManus, Jr.
Committee: Appropriations

CONTENT

Senate Bill 941 (S-2) revises current fee structures and establishes new fees for solid waste disposal facilities. It establishes a Solid Waste Management Fund, earmarks fees within the fund, and provides direction on activities that can be funded. It is tie-barred to House Bill 5867, which addresses financial assurance requirements of solid waste landfills.

The current fee structure for new or renewal construction permits for landfills and transfer facilities ranges from \$100 to \$675, depending on the size of facility, waste volume and type, and hydrogeological characteristics. The bill would replace this with fees ranging from \$250 to \$1,500, based on whether the facility is for low hazard, industrial, or municipal solid waste. The funds would be deposited into the solid waste staff account of the Solid Waste Management Fund.

The current fee for a Type II landfill operating license is \$100. The bill would establish fees ranging from \$250 to \$30,000, depending on the amount of waste received daily. Type III landfills, solid waste processing plants, and transfer facilities would have separate fees. Operating license fees would be deposited into the perpetual care account of the Solid Waste Management Fund.

A new solid waste program administration fee would be established to generate \$1,040,000, adjusted annually for inflation. The fee would be apportioned pro rata among operating landfills in the State, based on the total assets in each landfill's perpetual care fund, and deposited into the solid waste staff account of the Solid Waste Management Fund. The related portion of this package is in House Bill 5867, which would cap individual perpetual care funds at \$1,156,000, rather than require continued deposit of 75 cents per ton of solid waste. House Bill 5867 would also allow owners or operators to receive the entire balance in their perpetual care fund, upon termination of financial assurance requirements, rather than allocate 50% to the State.

FISCAL IMPACT

The Department of Environmental Quality estimates that the bill would generate approximately \$1.2 million in additional annual revenue to the State, adjusted for inflation. Tie-barred to House Bill 5867, the bill would result in an indeterminate loss in long term revenue to the State; depending on the number of landfills that close, and the balance in perpetual care funds.

The increase in annual State revenue would be due to an additional \$26,000 to \$47,000 from construction permit fees, \$187,000 from operating license fees, and \$1,040,000 from the new solid waste program administration fee (which is included in House Bill 5589 (S-1), the FY 1996-97 Department of Environmental Quality budget).

The decrease in long-term State revenue, as tie-barred with House Bill 5867, would be due to 1) the initial refund of approximately \$7.6 million to landfills with over \$1,156,000 in their perpetual care funds, 2) the decrease in required deposits to these funds, and 3) the loss of the State's eventual receipt of 50% of the balance in total perpetual care funds.

Date Completed: 5-28-96

Fiscal Analyst: G. Cutler

floor\sb941

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.