



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 6235 (Substitute S-1 as reported)
Sponsor: Representative Chris Kolb
House Committee: Land Use and Environment
Senate Committee: Natural Resources and Environmental Affairs

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to do the following in regard to expenditures from the Scrap Tire Regulatory Fund:

- Allow up to \$500,000 to be spent each year for capital expenditure grants to support the development of increased markets for scrap tires (rather than for reimbursement grants to users of scrap tire processed material for that purpose).
- Limit to \$100,000 each year the amount spent for grants to end-users who receive scrap tires or tire chips.

Currently, the Fund must be used for administrative costs of the Department of Environmental Quality and the Secretary of State; and the cleanup or collection of abandoned scrap tires and scrap tires at collection sites. Money spent for cleanup or collection may be used for reimbursement grants to users of scrap tire processed material, and grants to end-users who receive scrap tires or tire chips. Under the bill, the \$100,000 allowed for end-user grants still would part of the expenditures for cleanup and collection, while the \$500,000 allowed for capital expenditure grants would be a separate category.

The bill would define "capital expenditure" as an expenditure for land and improvements, transportation improvements, infrastructure improvements, or equipment acquisition intended to enhance or improve the overall value of scrap tires or scrap tire processed materials into a product of higher value.

MCL 324.16901 & 324.16908

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 12-3-04

Fiscal Analyst: Jessica Runnels