

Legislative Analysis



WASTE REDUCTION FUND USE EXPANSION

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Senate Bill 450

Sponsor: Sen. Roger Kahn, M.D.

Senate Committee: Appropriations

House Committee: Appropriations

Complete to 8-23-11

A SUMMARY OF SENATE BILL 450 AS REPORTED FROM HOUSE APPROPRIATIONS COMMITTEE

Senate Bill 450 would amend Part 111 (Hazardous Waste Management) of the Natural Resources and Environmental Protection Act (NREPA) to expand the statutorily allowed uses of the Waste Reduction Fund to include funding the Permit to Install Program in the Air Quality Division of the Department of Environmental Quality (DEQ).

BACKGROUND INFORMATION:

Waste Reduction Fund - The Fund receives revenue from a fee assessed on hazardous waste that is disposed of in a landfill or a solidification facility. The facility owners assess the fee on off-site generators for any waste disposed of in their facility; however, for any hazardous waste that is generated and disposed on their facility site, the owners must pay the fee.

The fees assessed are based on the quantity of hazardous waste being disposed and are \$10 per ton, \$10 per cubic yard, 1/2 cent per pound, or 4 cents per gallon, depending on the unit of measure used by the owner or operator of the facility. The fee amounts have remained the same since January 1, 1989. The fees are used mainly to pay refunds to hazardous waste generators that reduce their waste and to fund waste reduction programs.

Under the provisions of Part 111 (Hazardous Waste Management) of the NREPA, the Waste Reduction Fund may be used for the following purposes:

- To pay refunds to hazardous waste generators
- To fund programs under Part 143 (Waste Minimization Act) and Part 145 (Waste Reduction Assistance Act) of NREPA
- To fund the aquatic nuisance species control program (up to \$500,000)

Senate Bill 450 would allow funding the Permit to Install Program in the Air Quality Division as an additional use of the fund.

Permit to Install Program- The Federal Clean Air Act (CAA) requires states to implement a permit program for the installation of any new or modified major sources of air pollution in the state. The State of Michigan also has Air Pollution Control Rules that require minor pollution sources to obtain a Permit to Install. These permits must be obtained before construction can begin.

The Permit to Install Program activities related to the Renewable Operating Permit (ROP) have historically been funded by ROP air quality fees. However, in recent years, GF/GP funding has been appropriated as well because the fees did not generate sufficient revenue for the program. GF/GP funding has been reduced. This bill would allow Waste Reduction Fee revenues to also help fund the program.

FISCAL IMPACT:

Senate Bill 450 would allow the Waste Reduction Fund to be appropriated to fund the Permit to Install Program within the Air Quality Division of the DEQ. The appropriations for the FY 2011-12 DEQ budget (PA 63 of 2011) include a \$1.2 million appropriation fund shift for the Air Quality Division, reducing GF/GP funding by \$1.2 million and replacing it with \$1.2 million Waste Reduction Fund funding. The statutory change proposed in the bill is necessary in order for the DEQ to be able to expend the FY 2011-12 Waste Reduction Fund appropriation for this program.

For FY 2011-12, the Air Quality Division of the DEQ received \$24.2 million appropriation in the budget enacted by the Legislature. Of that funding, approximately \$6.7 million will be used to fund the Permit to Install Program.

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