

# Legislative Analysis



## CREATION OF STATEWIDE RECYCLING DATABASE

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**Senate Bill 507 as passed by the Senate**  
**Sponsor: Sen. Mike Green**  
**Senate Committee: Natural Resources**  
**House Committee: Natural Resources**  
**Complete to 2-8-16**

Analysis available at  
<http://www.legislature.mi.gov>

*(Enacted as Public Act 55 of 2016)*

### SUMMARY:

Senate Bill 507 would add a new Part 175 to the Natural Resources and Environmental Protection Act (NREPA) to create a reporting requirement for tracking certain recycling-related data. The bill requires the Department of Environmental Quality to operate a statewide database of recycling efforts by qualified recycling facilities and publish annual recycling reports online. Certain recycling establishments (see section labeled Definitions) would have to register with the DEQ and submit reports periodically.

(See the section labeled Definitions for which recycling establishments and which recyclable products are covered.)

The bill would take effect 90 days after the date it is enacted.

#### Registration

SB 507 would require a recycling establishment to register annually, by July 1 of each year, with the DEQ on a form provided by the department containing the following information: the establishment's name, location, postal mailing address, e-mail address, telephone number, and name of contact person.

A recycling establishment established after the effective date of the bill and after June 1, but before December 1, would be required to first register not later than 30 days after it is established. The bill also allows a person that is not a recycling establishment to voluntarily submit reports.

#### Reporting deadlines

The bill would allow a recycling establishment to choose to either submit an annual report covering the state fiscal year of October 1 to September 30, or to submit quarterly reports. The deadlines for each are as follows:

- For an establishment filing an annual report, the filing deadline is November 15 following the conclusion of a fiscal year.
- For an establishment filing quarterly reports, the reports must be submitted by February 15 for the first quarter; by May 15 for the second quarter; by August 15 for the third quarter; and by November 15 for the fourth quarter.

#### Report requirements

All of the following would apply:

- The report must specify the quantities of reportable recyclable materials in tons. Quantities may be determined using a volume-to-weight conversion formula provided by the department.
- A report may provide only aggregate quantities for multiple recycling establishments, if the report identifies each recycling establishment covered by the report.
- The report must be submitted in the manner provided by the department.
- The report must comply with any reporting guidelines established by the department to ensure that reportable recyclable materials are not counted more than once.
- A report would not be required to cover recycling establishment activities that occurred before October 1, 2016.

A person that is not a recycling establishment may voluntarily submit a report in accordance with the deadlines and informational requirements stated above.

#### Confidentiality of data

With the exception of data aggregated from reports by the DEQ for the purpose of determining statewide quantities of reportable recycling materials that were recycled, information submitted by individual recycling establishments under this Part would be deemed confidential and could not be disclosed by the department. It would also be exempt from Freedom of Information Act requests.

#### Annual posting of aggregated data

The DEQ would be required to post annually on its website the aggregate amount of each reportable recyclable material category recycled during the prior state fiscal year as well as the total aggregate amount of reportable recyclable materials. By January 31, 2018, and each year thereafter, the DEQ, after consultation with interested parties, would have to submit to the legislature a report on this Part, including the information that must be posted on its website and any recommendations for amendments to this part.

#### Definitions

The bill would add the following terms:

"Commercial waste," which would mean all types of solid waste generated by stores, offices, restaurants, warehouses, and other nonmanufacturing activities, but would not include household waste from single residences, hazardous waste, or industrial waste.

Commercial waste would include solid waste from any of the following:

- Multiple residences
- Hotels and motels
- Bunkhouses
- Ranger stations
- Campgrounds
- Picnic grounds.
- Day-use recreation areas.

"Household waste" would mean any solid waste that is derived from single residences, but would not include any of the following:

- Commercial waste
- Industrial waste
- Construction and demolition waste

"Recyclable materials" would mean source separated materials, site separated materials, high grade paper, glass, metal, plastic, aluminum, newspaper, corrugated paper, yard clippings, and other materials that may be recycled or composted.

"Recycling" would mean an action or process, such as separation, sorting, baling, or shipping, applied to reportable recyclable materials for the purposes of reuse or conversion into raw materials or new products.

"Recycling establishment" would mean an establishment engaged in the recycling of, or brokering of, reportable recyclable materials. A recycling establishment would not include any of the following:

- An establishment that recycles fewer than 100 tons per year.
- A retail establishment that bales cardboard packaging for off-site shipment.
- A retail establishment that collects returnable beverage containers under Initiated Law 1 of 1976 for transfer to a recycling establishment.
- An end user of reportable recyclable materials such as a paper mill, steel mill, foundry, or die caster that converts the reportable recyclable materials into new products or raw materials for conversion into new products.
- A drop-off recycling location that sends all reportable recyclable materials to a registered recycling establishment.
- An establishment that ships reportable recyclable material to registered recycling establishments but that does not engage in any other recycling.

"Reportable recyclable materials" means any of the following categories of recyclable materials that are separated from household waste or commercial waste, or from a combination thereof, and that are delivered to a recycling establishment for recycling:

- Glass
- Paper and paper products
- Plastic and plastic products
- Ferrous metal, including white goods
- Nonferrous metal
- Textiles
- Single stream recyclable materials that include any combination of the above listed materials

Reportable recyclable materials would not include any of the following:

- Materials or products that contain iron, steel, or nonferrous metals and that are directed to or received by a person subject to the Scrap Metal Regulatory Act, or by a re-user of these metals.

- Materials generated from the shredding or dismantling of motor vehicles or parts of motor vehicles.
- A beneficial use by-product, as defined in Section 11502 of NREPA.
- A covered electronic device reported under Part 173 (Electronics) of NREPA.

#### **FISCAL IMPACT:**

Senate Bill 507 would increase costs for the Department of Environmental Quality (DEQ). This bill would require DEQ to operate a statewide database of recycling efforts by qualified recycling facilities and publish annual recycling reports online as well as to the Michigan Legislature. The department estimates that the cost of operating this database would be about \$40,000 annually. The department intends to cover the staffing cost with the existing recycling initiative line item in the DEQ budget. This line item was appropriated at \$999,100 for FY 2015-16.

The fiscal impact that this bill would have on local units of government is unclear. "Recycling establishment" as defined in this bill could include qualifying facilities owned or operated by local units of government, in which case the costs incurred in complying with reporting requirements would be incurred at the local level. Additionally, the cost of this compliance is likely to vary by facility, thereby making the local level fiscal impact further difficult to determine.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.