

Legislative Analysis



ADJUST SURCHARGE FOR WASTE COLLECTION PROGRAMS BY CONSUMER PRICE INDEX

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4218 as introduced
Sponsor: Rep. Aaron Miller
Committee: Local Government and Municipal Finance
Complete to 3-13-19

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

SUMMARY:

House Bill 4218 would amend the Urban Cooperation Act to tie the maximum amount that a county can legally charge per household for waste and recycling collection to the Detroit Consumer Price Index.

The act currently allows counties to collect a surcharge of up to \$2 a month or \$25 a year per household (or, if approved by voters, up to \$4 a month or \$50 a year per household) for waste reduction programs and for the collection of “consumer source separated materials for recycling or composting.” In essence, this means that counties can charge their residents for garbage and recycling collection at a rate of up to \$50 a year per household. Under the bill, beginning on January 1, 2020, and each January 1 thereafter, these maximum amounts would be adjusted by the percentage change in the *Detroit Consumer Price Index*, as determined by the State Treasurer using January 1, 2019 as a base year.

Detroit Consumer Price Index would mean the most comprehensive index of consumer prices available for the Detroit area from the U.S. Department of Labor, Bureau of Labor Statistics.

The bill would take effect 90 days after its enactment.

MCL 124.508a

FISCAL IMPACT:

House Bill 4218 is likely to affect revenues for the local governments that impose a waste reduction or recycling surcharge pursuant to MCL 124.508a. Tying the surcharge maximum to the Detroit Consumer Price Index could increase or decrease revenues in the immediate short term as determined by inflationary or deflationary factors. However, local government revenues are more likely to increase over the long term as time progresses beyond the 2019 base year. The magnitude of this long-term increase is difficult to project, as it will be influenced by future market factors. The bill is unlikely to affect local government costs, nor to affect revenues or costs for the Department of Environmental Quality.

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