



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

BILL ANALYSIS



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

House Bill 4666 (Substitute H-3 as reported without amendment)
House Bill 4708 (as reported without amendment)
Sponsor: Representative Eileen Kowall
House Committee: Appropriations
Senate Committee: Appropriations

CONTENT

House Bill 4666 (H-3) would amend Part 111 (Hazardous Waste Management) of the Natural Resources and Environmental Protection Act (NREPA) to do all of the following:

- Eliminate the Waste Reduction Fund (WRF) and transfer its balance to the Environmental Pollution Prevention Fund (EPPF) on October 1, 2013.
- Require collected fees that are currently credited to the WRF to be credited instead to the EPPF.
- Specify that the EPPF could be used, upon appropriation, for the purposes for which the WRF may be used, as well as to fund programs under Part 111 of NREPA and the Hazardous Materials Transportation Act.
- Eliminate the Hazardous Waste Transporter Account and the Hazardous Waste and Liquid Industrial Waste Users Account from the EPPF.
- Change the sunset on hazardous waste manifest fees, site identification number user charges, and hazardous waste management program user charges from October 1, 2013, to October 1, 2014.
- Eliminate a requirement that, if the balance of the Hazardous Waste and Liquid Industrial Waste Users Account exceeds \$3.2 million as of December 31 of any year, the handler user charges be suspended until October of the following year.

House Bill 4708 would amend the Hazardous Materials Transportation Act to do the following:

- Define "fund" as the Environmental Pollution Prevention Fund rather than the Hazardous Materials Transportation Permit Fund (HMTPF).
- Eliminate the HMTPF and transfer its balance to the EPPF on October 1, 2013.

Both bills would take effect on October 1, 2013.

MCL 324.11108 et al (H.B. 4666)
29.472 & 29.475 (H.B. 4708)

FISCAL IMPACT

House Bill 4666 (H-3) would have a significant positive fiscal impact on the Department of Environmental Quality (DEQ) and no fiscal impact on local units of government. The delay of the hazardous waste fee sunsets would allow the DEQ to continue collecting those fees, which result in the collection of approximately \$1.1 million annually. Failure to delay these sunsets would result in the loss of this revenue.

The combination of the EPPF, WRF, and HMPF under the bills would have a neutral fiscal impact on the DEQ, but would result in greater fungibility among the three funds. Combining the three funds into the EPPF would allow fund balances and revenue streams that currently exist in the three funds separately to be used interchangeably. Table 1 shows the fiscal year (FY) 2011-12 balance and projected FY 2012-13 revenue, expenditures, and balance of these three funds.

Table 1
Fund Balance for EPPF, WRF and HMPF

| Fund | FY 11-12 Balance | Est. FY 12-13 Revenue | Est. FY 12-13 Expenditure | Est. FY 12-13 Balance |
|--|-----------------------------|----------------------------------|--------------------------------------|----------------------------------|
| Environmental Pollution Prevention Fund | \$2,559,500 | \$1,100,000 | \$(2,624,000) | \$1,035,500 |
| Hazardous Materials Transportation Permit Fund | 1,118,500 | 230,000 | (297,300) | 1,051,200 |
| Waste Reduction Fund | 4,228,400 | 3,687,000 | (5,839,100) | 2,076,300 |
| TOTAL | \$7,906,400 | \$5,017,000 | \$(8,760,400) | \$4,163,000 |

Source: State Budget Office

Date Completed: 6-13-13

Fiscal Analyst: Josh Sefton

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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.