

# Legislative Analysis

---



## SOLID WASTE CIVIL FINES

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

### House Bill 4783

**Sponsor: Rep. Al Pscholka**  
**Committee: Appropriations**

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

**Complete to August 18, 2015**

### SUMMARY:

House Bill 4783 would amend the Natural Resources and Environmental Protection Act (NREPA) by raising the caps on civil fines charged to violators of Part 115, which concerns solid waste management. Presently these fines are as follows:

- Not more than **\$10,000** for each day of violation
- Not more than **\$25,000** for each day of a second or subsequent violation

These caps would be raised to **\$25,000** and **\$75,000** respectively if HB 4783 becomes law. Civil fines collected for violations of NREPA's Part 115 are deposited in the Settlement Fund in the Department of Environmental Quality (DEQ). Each year 25% of these fines are transferred to DEQ's Environmental Education Fund, with an annual transfer limit of \$250,000.

### BACKGROUND INFORMATION:

The Natural Resources and Environmental Protection Act (1994 PA 451) defines Michigan's pollution control provisions and includes the Solid Waste Management Act (1978 PA 641, as amended). Part 115 of NREPA outlines the regulation of the state's solid waste materials including permitting and licensure procedures as well as penalties for solid waste management violations. The initial civil fine cap of \$10,000 (1987 PA 209) was amended to the current caps referenced above 11 years ago (2004 PA 41). These caps have remained subsequently unchanged.

The provisions concerning solid waste civil fines were further amended to allow the court to order the offender to return the violating solid waste to its country of origin if it was generated outside the United States (2006 PA 783).

### FISCAL IMPACT:

House Bill 4783 could result in a small increase in civil fine revenue received by the state, depending on the nature of violations each year. The changes to the civil fine limits for violators of Part 115 would not necessarily prescribe heavier financial penalties but would provide the legal capacity to do so. Since 2007 there have been 61 Part 115 civil fines collected, varying from a high of 15 in 2009 to a low of two in 2011, for an annual average

of 7.6. There were three civil fines collected in 2014. Nine of the 61 Part 115 civil fines collected during this period included fines of other parts of NREPA.

The total amount collected in Part 115 civil fines over this period is \$1.7 million, with an annual average of \$28,388. This total and annual average include both initial violations as well as repeat violations. A little over half of the fines collected (32 of 61) totaled \$10,000 or less; three specific penalties were in excess of \$100,000.

The maximum allowable fine was not collected in the majority of cases over the past eight years. Rather, the fines that were ultimately collected usually fell short of the current \$10,000 and \$25,000 caps. It is anticipated that violations will continue to vary in their respective severity and corresponding fines. Consequently, the civil fine maximums raised by HB 4783 would not necessarily result in a positive fiscal impact to the State of Michigan. However, raising these caps would provide the potential for higher fines to be collected than the law allows at present.

Fiscal Analyst: Austin Scott

---

■ 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.