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BILL ANALYSIS

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Senate Bill 938 (Substitute S-1 as reported)  
Sponsor: Senator Darrin Camilleri  
Committee: Energy and Environment

### **CONTENT**

The bill would require the owner of a Class I Commercial Hazardous Waste Disposal Well to pay the Department of Environment, Great Lakes, and Energy (EGLE) a fee for all waste disposed of in the well, except for exempted waste as prescribed by the bill. Generally, these commercial wells dispose of waste that is dangerous or capable of having a harmful effect on human health on behalf of waste generators. The fee would be \$100 per ton or .417 cents per gallon assessed on all waste disposed of in a well and would have to be adjusted annually by the Consumer Price Index. The bill would create the Disposal Well Host Community Fund for depositing of fees, and EGLE would have to provide grants from the Fund for local governments that had a Class I Commercial Hazardous Disposal Well in their jurisdictions.

MCL 324.32506a

### **BRIEF RATIONALE**

According to testimony, the safety of the Class I Commercial Hazardous Waste Disposal Well in Romulus has been a challenge for the local government for decades. During emergency events, local response units cannot properly access the site. This waste disposal well cannot be shut down legislatively because it has already been approved by current law, but some believe that imposing expensive operational fees could lead to the owner taking action to remedy safety concerns or relocating the well entirely, and so the fees have been suggested.

Legislative Analyst: Nathan Leaman

### **FISCAL IMPACT**

The bill would have a limited positive fiscal impact on the EGLE and a positive impact on affected local governments. The extent of the impact would depend on the amount of fee revenue generated at the two Class I Commercial Hazardous Waste Disposal Wells in the State. These fees would be CPI-adjusted annually by the State Treasurer. Administrative costs would be recuperated from the fees, and the remainder of the fee revenue would be allocated to providing grants to the local communities within whose jurisdiction a Class I Commercial Hazardous Waste Disposal Well operated. Fee revenue would be deposited into the newly created Disposal Well Host Community Fund.

The bill would have no fiscal impact on the Department of Treasury. Based on the level of estimated revenue within the Fund, ongoing costs associated with administering and investing the Fund would be less than \$100 and are within current appropriations. There are currently only two Class I Commercial Hazardous Waste Disposal Wells in the State, both located in the City of Romulus. The City of Romulus would receive all the dollars collected in the Disposal Well Host Community Fund at the end of each fiscal year after administrative expenses.

Date Completed: 12-9-24

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Bill Analysis @ [www.senate.michigan.gov/sfa](http://www.senate.michigan.gov/sfa)

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