

**SUBSTITUTE FOR
HOUSE BILL NO. 5333**

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 11525a (MCL 324.11525a), as amended by 2023 PA
140.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11525a. (1) ~~The~~ **Subject to subsection (2), the** owner or
2 operator of a landfill or coal ash impoundment shall pay a
3 surcharge as follows:

4 (a) Except as provided in subdivision (b), for a landfill or
5 coal ash impoundment that is not a captive facility, ~~36 cents~~ **\$1.20**
6 for each ton or portion of a ton of solid waste or municipal solid
7 waste incinerator ash that is disposed of in the landfill or coal
8 ash impoundment. ~~before October 1, 2027.~~



1 (b) For a landfill or coal ash impoundment that is not a
 2 captive facility, 12 cents ~~per~~**for each** ton or portion of a ton of
 3 foundry sand, slag from metal melting, baghouse dust, furnace
 4 refractory brick, pulp and paper mill material, paper mill ash,
 5 wood ash, coal bottom ash, mixed wood ash, fly ash, flue gas
 6 desulfurization sludge, contaminated soil, cement kiln dust, lime
 7 kiln dust, and other industrial waste that weighs at least 1 ton
 8 per cubic yard, as determined by the generator.

9 (c) For a type III landfill or coal ash impoundment that is a
 10 captive facility and annually receives the following amount of
 11 waste, the following annual corresponding surcharge for each state
 12 fiscal year, based on the amount of waste received during that
 13 fiscal year:

14 (i) 100,000 or more tons of waste, \$3,000.00.

15 (ii) 75,000 or more but less than 100,000 tons of waste,
 16 \$2,500.00.

17 (iii) 50,000 or more but less than 75,000 tons of waste,
 18 \$2,000.00.

19 (iv) 25,000 or more but less than 50,000 tons of waste,
 20 \$1,000.00.

21 (v) Less than 25,000 tons of waste, \$500.00.

22 **(2) Effective October 1, 2030, and every fifth year**
 23 **thereafter, the department may increase the surcharges specified in**
 24 **subsection (1) and the funding for the solid waste staff account**
 25 **specified in subsection (5) (a) by an amount determined by**
 26 **multiplying those amounts by the inflation adjustment factor. The**
 27 **department shall round the surcharges to the nearest whole cent and**
 28 **the funding to the nearest \$100.00. The inflation adjustment factor**
 29 **equals the 3-year average July-June Consumer Price Index for the**



1 period ending during the immediately preceding state fiscal year
 2 divided by the 3-year average July-June Consumer Price Index for
 3 the period ending on June 30, 2030, as determined by the department
 4 of treasury using the Detroit-Warren-Dearborn Consumer Price Index.
 5 However, the inflation adjustment factor must not be less than
 6 1.00.

7 (3) ~~(2)~~—Within 30 days after the end of each quarter of a
 8 state fiscal year, the owner or operator of a landfill or coal ash
 9 impoundment that is not a captive facility shall pay the surcharge
 10 under subsection (1)(a) **or (b)** for waste received during that
 11 quarter of the state fiscal year. Within 30 days after the end of a
 12 state fiscal year, the owner or operator of a type III landfill or
 13 coal ash impoundment that is a captive facility shall pay the
 14 surcharge under subsection ~~(1)(b)~~ **(1)(c)** for waste received during
 15 that state fiscal year.

16 (4) ~~(3)~~—If the owner or operator of a landfill or coal ash
 17 impoundment is required to pay the surcharge under subsection (1),
 18 the owner or operator shall pass through and collect the surcharge
 19 from any person that generated the solid waste or arranged for its
 20 delivery to the hauler or solid waste processing and transfer
 21 facility, notwithstanding the provisions of any agreement to the
 22 contrary or the absence of any agreement.

23 (5) ~~(4)~~—Surcharges collected under this section must be
 24 forwarded to the state treasurer for deposit **as follows:**

25 (a) **The first \$12,000,000.00 each state fiscal year** in the
 26 solid waste staff account of the solid waste management fund.

27 (b) **The balance each state fiscal year as follows:**

28 (i) **Fifty-five percent in the cleanup and redevelopment fund**
 29 **created in section 20108.**



1 (ii) Fifteen percent in the host communities grant fund created
2 in subsection (6).

3 (iii) Twenty percent in the community surcharge reimbursement
4 fund created in subsection (7).

5 (iv) Ten percent in the materials management planning fund
6 created in subsection (8).

7 (6) The host communities grant fund is created in the state
8 treasury. The state treasurer shall deposit money and other assets
9 received under subsection (5) (b) (ii) or from any other lawful source
10 in the fund. The state treasurer shall direct the investment of
11 money in the fund and credit interest and earnings from the
12 investments to the fund. The department is the administrator of the
13 fund for audits of the fund. Money in the fund at the close of the
14 fiscal year shall remain in the fund and not lapse to the general
15 fund. The department shall expend money from the fund, on
16 appropriation, only for annual grants to cities and townships that
17 are the sites of landfills and coal ash impoundments that pay
18 surcharges under this section. To obtain a grant, a city or
19 township must file with the department an application on a form
20 determined by the department. The department shall award grants by
21 March 1 to cities and townships that submitted a complete
22 application during the preceding period of November 1 through
23 December 1. Each grant shall be equal to the amount of surcharges
24 deposited in the host communities grant fund during the prior state
25 fiscal year from landfills and coal ash impoundments located in the
26 geographical jurisdiction of the respective grant recipient and a
27 proportionate share of money in the fund other than revenue
28 deposited under subsection (5) (b) (ii). This subsection does not
29 apply to surcharges collected before the effective date of the



1 amendatory act that added this subsection.

2 (7) The community surcharge reimbursement fund is created in
3 the state treasury. The state treasurer shall deposit money and
4 other assets received under subsection (5) (b) (iii) or from any other
5 lawful source in the fund. The state treasurer shall direct the
6 investment of money in the fund and credit interest and earnings
7 from the investments to the fund. The department is the
8 administrator of the fund for audits of the fund. Money in the fund
9 at the close of the fiscal year shall remain in the fund and not
10 lapse to the general fund. The department shall expend money from
11 the fund, on appropriation, only for grants to partially reimburse
12 responsible communities for surcharges paid under this section. To
13 obtain a grant, a responsible community must file an application
14 with the department during the period of March 1 through April 30
15 each year. The application must be filed on a form and in a medium
16 provided or approved by the department. The application must
17 document the surcharges paid and population of the responsible
18 community. After the close of the application period, the
19 department shall promptly reimburse responsible communities that
20 timely submitted a complete application. The reimbursement shall be
21 proportional to the population of the responsible community. The
22 reimbursement amount shall not exceed the total surcharges paid by
23 a responsible community.

24 (8) The materials management planning fund is created in the
25 state treasury. The state treasurer shall deposit money and other
26 assets received under subsection (5) (b) (iv) or from any other lawful
27 source in the fund. The state treasurer shall direct the investment
28 of money in the fund and credit interest and earnings from the
29 investments to the fund. The department is the administrator of the



1 fund for audits of the fund. Money in the fund at the close of the
2 fiscal year shall remain in the fund and not lapse to the general
3 fund. The department shall expend money from the fund, on
4 appropriation, only for grants for materials management planning,
5 including grants to counties, regional planning agencies,
6 municipalities, and other entities responsible for preparing,
7 implementing, and maintaining materials management plans.

8 (9) As used in this section:

9 (a) "Consumer Price Index" means the most comprehensive index
10 of consumer prices available for the Detroit-Warren-Dearborn area
11 from the Bureau of Labor Statistics of the United States Department
12 of Labor.

13 (b) "Responsible community" means a municipality that provides
14 waste disposal for its residents and pays surcharges under this
15 section, directly or through a contract with a private hauler.

16 Enacting section 1. This amendatory act takes effect April 1,
17 2025.

