

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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House Bill 5133 (as reported without amendment)

Sponsor: Representative William Van Regenmorter

House Committee: Transportation

Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 12-1-89

**RATIONALE**

The Motor Carrier Act regulates persons who transport various goods by motor vehicle and exempts certain haulers, such as Federal, State, and municipal vehicles and those that haul waste. Some vehicles that haul certain materials to resource recovery facilities for recycling, however, are not exempt. The increase in recycling activities over the last few years has spurred an increase in the number of recyclable waste haulers operating on the State's roads. Some have argued that, since recyclable waste can be reused, it is not "waste" at all, but a commodity with inherent value that can be transported to recycling facilities and sold for profit. While some types of recyclable materials, such as scrap metal, can be and are hauled for profit, however, most recyclables cannot be hauled profitably. Many people believe that recycling should be used to its full extent in order to minimize the use of rapidly filling landfills and that, to encourage recycling, haulers of most types of recyclable materials should be exempt from the Act.

**CONTENT**

The bill would amend the Motor Carrier Act to exempt from regulation under the Act a vehicle that transported recyclable materials to or from a resource recovery facility. The bill could not be construed to exempt a vehicle that transported new products. The terms "recyclable materials" and "resource recovery facility" would have the same meaning as those terms in the Solid Waste

Management Act, except that the term "recyclable materials" would not include industrial scrap metal.

The Solid Waste Management Act defines "recyclable materials" as "source separated materials, site separated materials [e.g., glass, metal, wood, plastics, garbage, or paper products], high grade paper, glass, metal, plastic, aluminum, newspaper, corrugated paper, yard clippings, and other materials that may be recycled or composted". "Resource recovery facility" means machinery, equipment, structures, or any parts or accessories of them, installed or acquired for the primary purpose of receiving materials or energy from the waste stream.

MCL 479.2

**FISCAL IMPACT**

The bill would have a minimal fiscal impact on State government and no fiscal impact on local government. The Public Service Commission Motor Carrier Division estimates that there are operating currently only 20-30 of these vehicles that would become exempt under the provisions of the bill. A \$100 motor carrier fee is paid annually to the State for each of these vehicles. The State would lose \$2,000-\$3,000 in annual revenue.

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## **ARGUMENTS**

### **Supporting Argument**

The bill would recognize that most haulers of recyclable "waste" do not profit from their activities. Companies that generate this type of waste find themselves in a quandary because environmental stewardship via resource recovery of solid waste is increasingly emphasized, while a hauler of waste to a landfill is exempt from the Motor Carrier Act. When waste is hauled to a recycling facility, however, the hauler apparently falls under the regulation of the Act, because it is silent on those who transport recyclable materials. Reportedly, when haulers of recyclable materials requested the Michigan Public Service Commission (PSC) to exempt them from the Act, the PSC agreed that an exemption would be appropriate, but said that it should be sought through legislation. The bill would not exempt those who haul scrap metal for recycling since this is often hauled at a profit, but generally would exempt all other haulers of recyclable waste. By doing so, the bill would treat haulers of most types of recyclable waste similar to the way haulers of nonrecyclable waste are treated, and would thereby encourage companies to use recycling facilities for disposal whenever possible.

**Response:** The bill should exclude from exemption additional recyclable materials that can be hauled for profit, such as newspapers. While recycling should be encouraged, it would be unfair for the State to deregulate haulers of "waste" with intrinsic value while haulers of other goods remained fully regulated.

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