

# SENATE BILL No. 453

May 16, 1989, Introduced by Senators EHLERS, BINSFELD, CHERRY and GAST and referred to the Committee on Natural Resources and Environmental Affairs.

A bill to amend sections 7, 10, 11, 12, 13, 14, 15, 16, and 17 of Act No. 249 of the Public Acts of 1986, entitled "Clean Michigan fund act," being sections 299.377, 299.380, 299.381, 299.382, 299.383, 299.384, 299.385, 299.386, and 299.387 of the Michigan Compiled Laws; and to add section 12a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Sections 7, 10, 11, 12, 13, 14, 15, 16, and 17  
2 of Act No. 249 of the Public Acts of 1986, being sections  
3 299.377, 299.380, 299.381, 299.382, 299.383, 299.384, 299.385,  
4 299.386, and 299.387 of the Michigan Compiled Laws, are amended  
5 and section 12a is added to read as follows:

6       Sec. 7. (1) The commission shall cause to be conducted a  
7 series of waste stream assessments in representative areas of the  
8 state. The assessments shall determine the characteristics of

1 the waste stream and document seasonal fluctuations in the volume  
2 of waste.

3 (2) The commission shall select a site for a waste stream  
4 assessment subject to the following prerequisites:

5 (a) The site is located in a county that has an approved  
6 solid waste management plan.

7 (b) The approved solid waste management plan for the county  
8 proposes some type of resource recovery.

9 (c) The site has not been the subject of an adequate waste  
10 stream assessment within the 5 years before the assessment autho-  
11 rized by this act is performed.

12 (3) The commission shall consider the following in determin-  
13 ing appropriate sites for inclusion in the waste stream  
14 assessment:

15 (a) The extent to which the owners of the disposal areas in  
16 the proposed study site will do the following:

17 (i) Provide an area on the site for scales and for composi-  
18 tion studies.

19 (ii) Provide temporary shelter for work during inclement  
20 weather.

21 (iii) Enlist the cooperation of solid waste haulers.

22 (b) The likelihood that a resource recovery project or  
23 projects will be undertaken at the proposed site.

24 (c) The likelihood that the data resulting from the assess-  
25 ment of the proposed site will be usable or useful in evaluating  
26 the waste stream in other similar areas of the state.

1 (d) The extent to which selection of the site contributes to  
2 the achievement of a balanced distribution of assessments  
3 throughout the state.

4 (e) The availability of a scale at the proposed site.

5 (4) ~~The commission shall not expend more than 5% of the~~  
6 ~~total amount in the fund in any state fiscal year on the assess-~~  
7 ~~ments described in this section.~~ The commission shall not expend  
8 more than ~~\$50,000.00~~ \$100,000.00 for any single assessment con-  
9 ducted under this section.

10 Sec. 10. (1) The commission shall establish an educational  
11 program with respect to resource recovery to accomplish the  
12 following:

13 (a) To promote on a statewide basis the purchase of recycled  
14 products and materials.

15 (b) To develop promotional materials for distribution by  
16 municipalities in support of their resource recovery  
17 initiatives.

18 (2) The department shall establish a resource recovery edu-  
19 cation grant program. The program shall provide funding for the  
20 direct promotion of local resource recovery initiatives by munic-  
21 ipalities, nonprofit private entities, and private entities. The  
22 commission shall make the grants described in this subsection.

23 (3) The commission shall not make a resource recovery educa-  
24 tion grant unless both of the following conditions are met:

25 (a) The proposed education project is conducted in a county  
26 that has an approved solid waste management plan.

1 (b) A local resource recovery project is planned or under  
2 way and the proposed education project directly promotes the use  
3 of that project.

4 (4) The commission shall consider the following factors in  
5 selecting recipients of resource recovery education grants:

6 (a) Whether the education program has measurable  
7 objectives.

8 (b) The extent of background research completed.

9 (c) The type and extent of follow-up or evaluation, or both,  
10 to be conducted.

11 (d) The level of commitment by local officials.

12 (e) The extent to which the recipient commits its own finan-  
13 cial resources to the education project.

14 (f) The extent to which selection of the project contributes  
15 to the achievement of a balanced distribution of grants through-  
16 out the state.

17 (5) ~~The commission shall not expend more than 25% of the~~  
18 ~~total amount in the trust fund in any state fiscal year on the~~  
19 ~~educational program and the education grant program described in~~  
20 ~~this section.~~ The commission shall not expend more than  
21 \$50,000.00 for any single education grant made under this  
22 section.

23 Sec. 11. (1) The department shall establish a solid waste  
24 transfer station grant program. The program shall provide fund-  
25 ing to municipalities, nonprofit private entities, and private  
26 entities for the cost of transfer station construction. The  
27 commission shall make the grants described in this section.

1 (2) The commission shall not make a solid waste transfer  
2 station grant unless both of the following conditions are met:

3 (a) The proposed transfer station is located in a county  
4 that has an approved solid waste management plan.

5 (b) The proposed solid waste transfer station is consistent  
6 with the approved solid waste management plans of all of the  
7 affected counties.

8 (3) The commission shall consider the following factors in  
9 selecting recipients for solid waste transfer station grants:

10 (a) The potential for providing to the municipality resource  
11 recovery alternatives otherwise not available to the municipality  
12 without the proposed transfer station.

13 (b) The willingness of the municipality to form or partici-  
14 pate in a joint solid waste management system with adjacent  
15 municipalities.

16 (c) The applicant demonstrates that the proposed transfer  
17 station replaces a sanitary landfill or open dump closed accord-  
18 ing to the standards contained in the solid waste management act,  
19 Act No. 641 of the Public Acts of 1978, being sections 299.401 to  
20 299.437 of the Michigan Compiled Laws.

21 (4) The commission shall not dispense a solid waste transfer  
22 station grant unless all permits that are required by state law  
23 and that are specifically applicable to the nature of the pro-  
24 posed project have been obtained.

25 ~~(5) The commission shall not expend more than 25% of the~~  
26 ~~total amount in the fund in any state fiscal year on the solid~~  
27 ~~waste transfer station grant program.~~ The commission shall not

1 expend more than ~~\$300,000.00~~ \$200,000.00 for any single  
2 transfer station grant made under this section.

3       Sec. 12. (1) The department shall establish a recycling and  
4 composting capital grant program. The program shall provide  
5 funding for the capital costs of recycling and composting pro-  
6 grams undertaken by municipalities, nonprofit private entities,  
7 or private entities. The commission shall make the grants  
8 described in this section.

9       (2) The commission shall not make a recycling or composting  
10 capital grant unless all of the following conditions are met:

11       (a) The proposed recycling or composting project is located  
12 in a county that has an approved solid waste management plan.

13       (b) The proposed recycling or composting project is consis-  
14 tent with the approved solid waste management plan.

15       (c) The applicant provides either a feasibility study with  
16 positive results supportive of project initiation or sufficient  
17 data justifying project expansion.

18       (d) The equipment obtained with the grant is used for source  
19 separated materials or site separated materials, or both.

20       (3) The commission shall consider the following factors in  
21 selecting recipients for recycling and composting capital  
22 grants:

23       (a) The likelihood of project success as indicated by the  
24 feasibility study results.

25       (b) The availability of an appropriate site.

26       (c) A demonstration by the applicant that the materials to  
27 be collected or processed, or both, are not being recovered

1 presently and would not be recovered otherwise, but for the  
2 proposed recycling or composting project.

3 (d) A demonstration by the applicant that the materials to  
4 be collected or processed, or both, will be absorbed in an exist-  
5 ing market without displacing existing resource recovery opera-  
6 tions, or that the materials, by being collected or processed, or  
7 both, will create a new market.

8 (e) The business and accounting plans for the proposed recy-  
9 cling or composting project.

10 (f) The need for a new or expanded recycling or composting  
11 program in the area to be served, relative to the needs of other  
12 areas.

13 (g) The extent to which selection of the recycling or com-  
14 posting program contributes to the achievement of a balanced dis-  
15 tribution of grants throughout the state.

16 (h) A demonstration by the applicant that land, buildings,  
17 personnel, support services, or funds have been committed to the  
18 recycling or composting project.

19 (i) The portion of the waste stream that is projected to be  
20 diverted from landfills, compared to the projected costs of the  
21 recycling or composting project.

22 (j) The immediacy of the reduction in waste resulting from  
23 the recycling or composting program.

24 (k) The potential of the recycling or composting project to  
25 be replicated in similar areas of the state.

1       (l) The availability of capacity at existing licensed  
2 landfills that serve the area to be served by the proposed  
3 recycling or composting program.

4       (m) The demonstrated municipality, community group, or vol-  
5 unteer interest in undertaking a recycling or composting  
6 project.

7       (n) The demonstrated capability of the applicant in working  
8 with adjacent municipalities on alternative resource recovery  
9 projects, such as development of a regional resource recovery  
10 organization, jointly sponsored resource recovery initiatives, or  
11 regional materials marketing strategies.

12       (4) The commission shall not dispense a recycling or com-  
13 posting capital grant unless all the permits that are required by  
14 state law and that are specifically applicable to the nature of  
15 the proposed project have been obtained.

16       (5) ~~The commission shall not expend more than 20% of the~~  
17 ~~total amount in the fund in any state fiscal year on the recycl-~~  
18 ~~ing and composting capital grant program.~~ The commission shall  
19 not expend more than \$500,000.00 for any single recycling or com-  
20 posting capital grant made under this section.

21       SEC. 12A. (1) THE DEPARTMENT SHALL ESTABLISH A WASTE REDUC-  
22 TION RESEARCH AND DEMONSTRATION CAPITAL GRANT PROGRAM. THE PRO-  
23 GRAM SHALL PROVIDE FUNDING FOR THE CAPITAL COSTS OF WASTE REDUC-  
24 TION EQUIPMENT THAT IS IN THE TESTING, RESEARCH, OPERATIONAL, OR  
25 DEVELOPMENTAL STAGE.

26       (2) THE COMMISSION SHALL NOT MAKE A WASTE REDUCTION RESEARCH  
27 OR DEMONSTRATION GRANT UNDER THIS SECTION UNLESS THE PROPOSED



1 WASTE REDUCTION PROJECT ACTUALLY REDUCES THE AMOUNT OF WASTE  
2 PRODUCED.

3 (3) THE COMMISSION SHALL NOT MAKE A WASTE REDUCTION RESEARCH  
4 OR DEMONSTRATION GRANT UNDER THIS SECTION UNLESS THE PROJECT IS  
5 LOCATED IN A COUNTY THAT HAS AN APPROVED SOLID WASTE MANAGEMENT  
6 PLAN.

7 (4) THE COMMISSION SHALL NOT DISPENSE A WASTE REDUCTION  
8 RESEARCH OR DEMONSTRATION GRANT UNDER THIS SECTION UNLESS ALL  
9 PERMITS REQUIRED BY STATE LAW AND SPECIFICALLY APPLICABLE TO THE  
10 PROJECT HAVE BEEN OBTAINED.

11 Sec. 13. (1) The department shall establish a  
12 waste-to-energy capital grant program. The program shall provide  
13 funding for the capital costs of waste-to-energy programs under-  
14 taken by municipalities, nonprofit private entities, or private  
15 entities. The commission shall make the grants described in this  
16 section.

17 (2) The commission shall not make a waste-to-energy capital  
18 grant unless all of the following conditions are met:

19 (a) The proposed waste-to-energy project is located in a  
20 county that has an approved solid waste management plan.

21 (b) The proposed waste-to-energy project is consistent with  
22 the approved solid waste management plan.

23 (c) The applicant provides either a feasibility study with  
24 positive results supportive of project initiation or sufficient  
25 data justifying project expansion.

26 (3) The commission shall consider the following factors in  
27 selecting recipients for waste-to-energy capital grants:

1 (a) The likelihood of project success as indicated by the  
2 feasibility study results.

3 (b) The availability of an appropriate site.

4 (c) A demonstration by the applicant that the materials to  
5 be collected or processed, or both, are not being recovered  
6 presently.

7 (d) The business and accounting plans for the proposed  
8 waste-to-energy project.

9 (e) The need for a new or expanded waste-to-energy program  
10 in the area to be served, relative to the needs of other areas.

11 (f) The extent to which selection of the waste-to-energy  
12 program contributes to the achievement of a balanced distribution  
13 of grants throughout the state.

14 (g) A demonstration by the applicant that land, buildings,  
15 personnel, support services, or funds have been committed to the  
16 waste-to-energy project.

17 (h) The portion of the waste stream that is projected to be  
18 diverted from landfills, compared to the projected costs of the  
19 waste-to-energy project.

20 (i) The potential of the waste-to-energy project to be rep-  
21 licated in similar areas of the state.

22 (4) The commission shall not dispense a waste-to-energy cap-  
23 ital grant unless all the permits that are required by state law  
24 and that are specifically applicable to the nature of the pro-  
25 posed project have been obtained.

26 (5) ~~The commission shall not expend more than 30% of the~~  
27 ~~total amount in the fund in any state fiscal year on the~~

1 ~~waste to energy capital grant program.~~ The commission shall not  
2 expend more than ~~\$2,000,000.00~~ \$500,000.00 OR 25% OF THE TOTAL  
3 AMOUNT IN THE FUND IN ANY STATE FISCAL YEAR, WHICHEVER IS LESS,  
4 for any single waste-to-energy grant made under this section.

5       Sec. 14. (1) The department shall establish a recycling  
6 operational grant program. The program shall provide temporary  
7 operating subsidies to assist municipalities, nonprofit private  
8 entities, and private entities in recapturing the difference  
9 between the cost of collection, processing, and transportation  
10 and the revenues generated from the sale of the recovered  
11 materials. The commission shall make the grants described in  
12 this section.

13       (2) The commission shall not make a recycling operational  
14 grant unless all of the following conditions are met:

15       (a) The proposed recycling project is located in a county  
16 with an approved solid waste management plan.

17       (b) The proposed recycling project is consistent with the  
18 approved solid waste management plan.

19       (c) A positive feasibility study of the proposed recycling  
20 project, or sufficient data justifying project expansion, is  
21 available.

22       (d) The applicant agrees to match the grant on a dollar for  
23 dollar basis.

24       (e) The applicant agrees to continue support for the recycl-  
25 ing project if the project is within 10% of previous disposal  
26 costs.

1 (f) The applicant agrees to provide the department with an  
2 annual operation report.

3 (g) The need for an operating subsidy is demonstrated.

4 (h) The grant is used for a project handling source sepa-  
5 rated material or site separated material, or both.

6 (3) The commission shall consider the following factors in  
7 determining whether to make a recycling operational grant:

8 (a) The portion of the waste stream projected to be diverted  
9 from a landfill, compared to projected costs.

10 (b) A demonstration by the applicant that land, buildings,  
11 personnel, support services, or funds have been committed to the  
12 recycling project.

13 (c) The applicant's willingness to show others the program.

14 (d) The potential of the recycling project to be replicated  
15 in similar areas of the state.

16 (e) The extent to which selection of the project contributes  
17 to the achievement of a balanced distribution of grants through-  
18 out the state.

19 (f) The demonstrated municipality, community group, or vol-  
20 unteer interest in undertaking a recycling project.

21 (g) The demonstrated capability of the applicant in working  
22 with adjacent municipalities on alternative resource recovery  
23 projects, such as development of a regional resource recovery  
24 organization, jointly sponsored resource recovery initiatives, or  
25 regional materials marketing strategies.

1 (h) The availability of capacity at existing licensed  
2 landfills that serve the area to be served by the proposed  
3 recycling project.

4 (i) The existence of a plan for transferring financial  
5 responsibility for the program to another funding source.

6 (j) The existence of sources of capital funding for the  
7 project.

8 (4) The commission shall not dispense a recycling oper-  
9 ational grant unless all the permits that are required by state  
10 law and that are specifically applicable to the nature of the  
11 proposed project have been obtained.

12 ~~(5) The commission shall not expend more than 5% of the~~  
13 ~~total amount in the fund in any state fiscal year for the recycl-~~  
14 ~~ing operational grant program.~~ The commission shall not expend  
15 more than \$150,000.00 for any single recycling operational grant  
16 made under this section.

17 Sec. 15. (1) The department shall establish a composting  
18 operational grant program. The program shall provide temporary  
19 operating subsidies to assist municipalities, nonprofit entities,  
20 and private entities in undertaking composting projects. The  
21 commission shall make the grants described in this section.

22 (2) The commission shall not make a composting operational  
23 grant unless all of the following conditions are met:

24 (a) The proposed composting project is located in a county  
25 with an approved solid waste management plan.

26 (b) The proposed composting project is consistent with the  
27 approved solid waste management plan.

1 (c) A positive feasibility study of the proposed composting  
2 project, or sufficient data justifying project expansion, is  
3 available.

4 (d) The applicant agrees to match the grant on a dollar for  
5 dollar basis.

6 (e) The applicant agrees to provide the department with an  
7 annual operation report.

8 (3) The commission shall consider the following factors in  
9 determining whether to make a composting operational grant:

10 (a) The portion of the waste stream projected to be diverted  
11 from a landfill, compared to projected costs.

12 (b) A demonstration by the applicant that land, buildings,  
13 personnel, support services, or funds have been committed to the  
14 composting project.

15 (c) The applicant's willingness to show others the program.

16 (d) The potential of the composting project to be replicated  
17 in similar areas of the state.

18 (e) The extent to which selection of the project contributes  
19 to the achievement of a balanced distribution of grants through-  
20 out the state.

21 (f) The demonstrated municipality, community group, or vol-  
22 unteer interest in undertaking a composting project.

23 (g) The demonstrated capability in working with adjacent  
24 municipalities on alternative resource recovery projects, such as  
25 development of a regional resource recovery organization, jointly  
26 sponsored resource recovery initiatives, or regional materials  
27 marketing strategies.

1 (h) The availability of capacity at existing licensed  
2 landfills that serve the area to be served by the proposed com-  
3 posting project.

4 (i) A plan for transferring financial responsibility for the  
5 program to another funding source has been developed.

6 (j) The sources of capital funding for the project.

7 (4) The commission shall not dispense a composting oper-  
8 ational grant unless all the permits that are required by state  
9 law and that are specifically applicable to the nature of the  
10 proposed project have been obtained.

11 (5) ~~The commission shall not expend more than 5% of the~~  
12 ~~total amount in the fund in any state fiscal year for the com-~~  
13 ~~posting operational grant program.~~ The commission shall not  
14 expend more than \$150,000.00 for any single composting oper-  
15 ational grant made under this section.

16 Sec. 16. (1) The department shall establish a household  
17 hazardous waste disposal grant program. The program shall assist  
18 municipalities in projects that educate citizens as to methods of  
19 household hazardous waste reduction and disposal option, promote  
20 the safe handling of household hazardous waste, or dispose of  
21 household hazardous waste at a state or federally permitted or  
22 licensed hazardous waste treatment, storage, or disposal  
23 facility. The commission shall make the grants described in this  
24 section.

25 (2) The commission shall not make a household hazardous  
26 waste disposal grant unless all of the following conditions are  
27 met:

1 (a) The project is not funded under a federal program.

2 (b) The municipality commits to contributing 20% of the  
3 total project cost in cash or in-kind services, or both.

4 ~~(c) The project is completed within 1 year after receipt of~~  
5 ~~the grant.~~

6 (C) ~~(d)~~ The project is consistent with state law and  
7 policy.

8 (3) The commission shall not dispense a household hazardous  
9 waste disposal grant unless all the permits that are required by  
10 state law and that are specifically applicable to the nature of  
11 the proposed project have been obtained.

12 (4) ~~The commission shall not expend more than 2% of the~~  
13 ~~total amount in the fund in any state fiscal year for the house-~~  
14 ~~hold hazardous waste disposal grant program.~~ The commission  
15 shall not expend more than \$15,000.00 for any single household  
16 hazardous waste disposal grant made under this section.

17 Sec. 17. (1) The commission shall cause to be conducted a  
18 statewide market development research study to assess the current  
19 markets and the potential for and the means for expansion of  
20 markets for recycled materials in this state. The commission  
21 shall not expend more than 2.5% of the total amount in the fund  
22 in any state fiscal year for the market development research  
23 study. In addition, the commission shall establish a market  
24 development plan based on the market development research study.  
25 The plan shall identify the barriers in attracting or expanding  
26 industries that use recycled materials and determine the  
27 appropriate methods for eliminating those barriers. The



1 department of commerce shall serve as project coordinator for the  
2 market development study funded and administered by the commis-  
3 sion pursuant to this section.

4 (2) The department shall establish a market development  
5 grant program. The program shall encourage expansion of the use  
6 of recycled materials and the development of innovative technolo-  
7 gies to use recycled materials. The commission shall make a  
8 grant under the program described in this section.

9 (3) The commission shall select development projects subject  
10 to the following prerequisites:

11 (a) The project is beyond the research stage and a demon-  
12 stration has indicated that it is technically feasible.

13 (b) The recipient of the grant is a municipality, nonprofit  
14 private entity, or a private entity in this state.

15 (c) The project shall be performed in this state.

16 (4) The department shall consider the following factors in  
17 selecting recipients of market development grants:

18 (a) The contribution that would be made by the project  
19 toward the goal of increasing the use of recycled materials.

20 (b) The market's need for the development of the technology  
21 or equipment.

22 (c) The potential impact of the technology or equipment on  
23 the cost effectiveness of using recycled materials.

24 (d) The potential for development of new resource recovery  
25 markets and for the generation of positive economic impacts.

26 (e) The potential of the project for commercial  
27 application.

1 (f) The stage of the development of the technology or  
2 equipment proposed to be used in the project.

3 (g) The environmental, economic, and social benefits to the  
4 state of the development of the technology or equipment.

5 (h) The future sources of capital funding for the project.

6 (i) The extent to which the applicant has committed land,  
7 buildings, personnel, support services, or funds to the project.

8 (j) The potential of the project for developing multiple  
9 markets.

10 (5) The commission shall not dispense a market development  
11 grant unless all the permits that are required by state law and  
12 that are specifically applicable to the nature of the proposed  
13 project have been obtained.

14 (6) ~~The commission shall not expend more than 25% of the~~  
15 ~~total amount in the fund in any state fiscal year for the market~~  
16 ~~development grant program.~~ The commission shall not expend more  
17 than \$500,000.00 for any single grant made under this program.