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Senate Bill 79 (Substitute S-2)
Sponsor: Senator Michelle A. McManus
Committee: Natural Resources and Environmental Affairs

Date Completed: 3-8-05

CONTENT

The bill would amend the Urban Cooperation Act to do the following:

- Allow a county to charge a per-household waste reduction surcharge of up to \$4 per month or \$50 per year if it were approved by the voters of a participating unit of government.**
- Permit a county to impose the voter-approved surcharge on commercial businesses.**
- Permit the collection of the approved surcharge through any reasonable billing method approved by the county.**

Currently, by resolution, a county board of commissioners may impose a per-household surcharge on households within the county of up to \$2 per month, or \$25 per year, for waste reduction programs and for the collection of consumer source separated materials for recycling or composting. The consumer source separated materials include, but are not limited to, recyclable materials (as defined in Part 115 of the Natural Resources and Environmental Protection Act), household hazardous wastes, tires, batteries, and yard clippings. (In certain counties with a population of 690,000 or more, the agency responsible for preparing the county's solid waste management plan may impose the surcharge.)

The bill would retain the current surcharge and allow the increased surcharge with the approval of the voters of a participating unit of government. An election on the surcharge could not be held unless the county board of commissioners passed a resolution authorizing the election. The resolution would have to include the following:

- The approval to hold the election.
- The name of the individual designated to negotiate the interlocal agreement between the municipalities and townships within the county.
- A date by which each municipality and township within the county would have to elect to participate in the interlocal agreement and authorize the election.
- The amount of the proposed surcharge.
- Whether commercial businesses would be subject to the proposed surcharge.
- The date for the election.

("Commercial businesses" would mean businesses engaged in the sale, lease, or exchange of goods, services, real property, or any other thing of value. Commercial businesses would not include wholesale businesses engaged in the manufacturing of goods or materials or the processing of goods or materials.)

The initial authorization for the election would have to be for five years. Any subsequent authorization would have to be for a period of at least 10 years.

The voter-approved waste reduction surcharge would be a mandatory charge and could be collected by any reasonable billing method approved by the county, including as part of billings for property taxes, water and sewage usage, or other services provided by the county to households and commercial businesses within the county.

The surcharge would not apply to vacant land, public-utility-owned land, rights-of-way, or easements that did not generate solid waste.

MCL 124.508a

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have no effect on State revenue or expenditures. The bill would have an unknown impact on local unit expenditures and revenue. It is unknown how many counties or agencies would choose to hold elections to increase the surcharge, which of those local units would receive voter approval for any surcharges, or the future of programs should voters fail to approve the higher surcharge. To the extent that local units would have imposed the surcharge but failed to receive approval from the county's voters, the bill would reduce future local unit revenue. If, as a result, the county or agency chose not to pursue waste reduction programs or recycling programs, the bill also would reduce future expenditures from some local units. To the extent that such programs were funded but the surcharge or fee was not assessed (as a result of the election), local units would need to obtain the revenue from other sources.

This estimate is preliminary and will be revised as new information becomes available.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.