

EXTENSION OF SUNSETS ON WASTE AND WATER FEES

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House Bills 4540 and 4541 as introduced

Sponsor: Rep. Mary Whiteford

Committee: Appropriations

Complete to May 1, 2017

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

The bills would amend the Natural Resources and Environmental Protection Act (1994 PA 451) and the Safe Drinking Water Act (1976 PA 399) by extending the sunset on certain fees collected by the Department of Environmental Quality (DEQ). **In FY 2015-16 these fees generated \$1.6 million in revenue.** The sunset for the following fees would be extended by four years from October 1, 2017 to October 1, 2021:

Wastewater and storm water operator training and certification fees (MCL 324.3110 and 324.4104) – Individuals seeking to complete wastewater and storm water operator certification programs must pay a fee of \$30 to \$95 depending on the certification sought.

Hazardous waste manifest (MCL 324.11135) – Hazardous waste generators are required to pay a fee of \$8 for each manifest provided to hazardous waste transporters; this manifest processing fee is submitted to DEQ.

Hazardous waste generator, transporter, or treatment, storage or disposal facility user charge (MCL 324.11153) – Hazardous waste generators and transporters as well as treatment, storage, and disposal facilities pay a one-time fee of \$50 to obtain a site identification number issued by the United States Environmental Protection Agency (EPA) or DEQ.

Hazardous waste handler user charge (MCL 324.11153) – Hazardous waste generators are required to pay an annual handler user charge based on quantity of waste generated. Additionally, an owner or operator of a treatment, storage, or disposal facility which requires a department-issued operating license must pay DEQ an annual handler user charge of \$2,000. Used oil processors, refiners, marketers, and burners must also pay an annual handler user charger of \$100.

Liquid industrial waste transporter site identification number (MCL 324.12109) – Transporters of liquid industrial waste pay a one-time fee of \$50 to obtain a site identification number issued by the EPA or DEQ.

Liquid industrial waste facility site identification number (MCL 324.12112) – Facilities that accept liquid industrial waste from transporters also pay a one-time fee of \$50 to obtain a site identification number issued by the EPA or DEQ.

Drinking water operator training and certification fees (MCL 325.1009) – Individuals seeking to complete drinking water treatment and distribution certification programs must pay a fee of \$45 to \$70 depending on the certification sought.

FISCAL IMPACT:

The bills would have a positive fiscal impact on DEQ revenue by extending fee sunsets which would provide for the continued collection of these fees. Under current law the department will no longer receive revenue from these fees after October 1, 2017.

Revenue from these fees is deposited into two restricted funds, which are then appropriated among five DEQ divisions as well as for departmental administration. Revenue from the waste fees is deposited into the Environmental Pollution Prevention Fund (EPPF); **this revenue totaled \$1.1 million in FY 2015-16**. Appropriations from this fund for FY 2016-17 total \$8.0 million. Figure 1 is an overview of EPPF appropriations for FY 2016-17.

Figure 1. FY 2016-17 Environmental Pollution Prevention Fund Appropriations

Program	Total Appropriation	EPPF Portion of Appropriation	EPPF % of Appropriation
Hazardous waste management	\$6,946,100	\$3,585,200	51.6
Office of Environmental Assistance	6,257,700	1,501,300	24.0
Air quality	27,231,500	1,362,000	5.0
Solid waste management	5,026,400	183,100	3.6
Departmental administration	23,838,700	1,345,700	5.6
GROSS	\$69,300,400	\$7,977,300	11.5

The EPPF currently provides more than half of the funding for the hazardous waste management program and almost a quarter of the funding for the Office of Environmental Assistance.

Revenue from the wastewater, storm water, and drinking water operator and certification fees is deposited into the Wastewater Operator Training Fund (WOTF); **this revenue totaled \$462,000 in FY 2015-16**. Appropriations from this fund for FY 2016-17 total \$584,200. Figure 2 is an overview of WOTF appropriations for 2016-17.

Figure 2. FY 2016-17 Wastewater Operator Training Fund Appropriations

Program	Total Appropriation	WOTF Portion of Appropriation	WOTF % of Appropriation
Surface water	\$15,871,800	\$280,700	1.8
Drinking water & environmental health	14,901,900	248,700	1.7
Departmental administration	16,058,900	54,800	0.3
GROSS	\$46,832,600	\$584,200	1.2

The bills would have a negative fiscal impact on local units of government that are subject to these fees. Local governments that administer programs or operate facilities subject to these fees are not required to pay them beyond October 1, 2017 under current law. The extension of these sunsets would therefore increase future costs at the local level by requiring fee payment until October 1, 2021.

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