

Legislative Analysis



HAZARDOUS WASTE USER FEES: SUNSET ELIMINATION

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Senate Bill 959

Senate Bill 960

Sponsor: Sen. Roger Kahn, M.D.

House Committee: Appropriations

Complete to 7-11-14

A SUMMARY OF SENATE BILLS 959 AND 960 AS PASSED BY THE SENATE 6-3-14:

Senate Bills 959 and 960 would eliminate the sunset of certain Hazardous Waste Management Program user fees so that the Department of Environmental Quality (DEQ) would have the authority to continue to collect these fees in perpetuity. Currently, the Department's authority to collect these fees ends or "sunset" on October 1, 2014. These bills would eliminate that ending date for fee collection.

Both bills would amend portions of the Natural Resources and Environmental Protection Act (NREPA). Senate Bill 959 would amend Part 121 (Hazardous Waste Management) and Senate Bill 960 would amend Part 111 (Liquid Industrial Wastes). The bills only eliminate the sunset provision of the fees and do not change any of the current fee dollar amounts. These fees are anticipated to generate approximately \$1.1 million in FY 2015.

MCL 324.12103 et al. (SB 959)

MCL 324.11135 and 324.11153 (SB 960)

BACKGROUND INFORMATION:

The DEQ has the responsibility for regulating the transfer, treatment, and disposal of hazardous wastes within the state. Hazardous wastes are defined as any materials that have been identified as having the potential to cause harm to human health or the environment. The Hazardous Waste Management Program within DEQ currently monitors the management of hazardous wastes, issues permits, and assesses user charges on approximately 6,500 hazardous waste generators, 110 transporters, and 17 treatment, storage, and disposal facilities (TSDs) within Michigan.

Table 1 below lists the hazardous waste user fees which would be affected by Senate Bills 959 and 960. Following the table is an explanation of each of these fees:

**Table 1
Hazardous Waste Management User Fees that Sunset 10/1/2014**

<u>Fee Category</u>	<u>Amount</u>	<u>When Assessed</u>
Manifest Processing Charge	\$ 8	Each load of waste
Site ID Issuance User Charge	50	One-time
Handler User Charges:		
-Treatment, Storage, and Disposal Facility (TSDs)	2,000	Annually
-Used Oil Handler	100	Annually
-Small Quantity Generator	100	Annually
-Large Quantity Generator	400	Annually
-Very Large Quantity Generator	1,000	Annually

Manifest Processing Charge

Federal and state regulations require that hazardous waste generators and transporters, as well as owners or operators of hazardous waste designated facilities, use a uniform hazardous waste manifest or shipping document for both the interstate and intrastate transportation of hazardous waste. The Manifest Processing Charge for each load of hazardous waste that is transported to any property other than the generation site is \$8.00 per manifest.

Site ID Issuance User Charge

All hazardous waste generators, transporters, and TSDs must obtain and utilize a site identification number from the DEQ in order to be involved with the transportation or reception of hazardous wastes. The one-time site identification number user charge is \$50.

Treatment, Storage, and Disposal Facility User Charge

The DEQ assesses an annual handler user charge of \$2,000 on each TSD for which an operating license is required.

Used Oil Handler Charge

The DEQ assesses an annual \$100 handler user charge on any used oil processor or rerefiner, used oil burner, or a used oil fuel marketer.

Waste Generator Charges

Hazardous waste generators must pay the following annual handler user charges based upon the amount of hazardous waste they generate:

- **Small Quantity Generator (\$100 fee)** --generates 100 to 1,000 kilograms in any month of a calendar year.
- **Large Quantity Generator (\$400 fee)** --generates 1,000 kilograms or more in any month of a calendar year and generates less than 900,000 kilograms in a year.

- **Very Large Quantity Generator (\$1,000 fee)** --generates 1,000 kilograms or more in any month of a calendar year and generates 900,000 kilograms or more in a year.

FISCAL IMPACT:

Senate Bills 959 and 960 would eliminate the sunset provisions for certain hazardous waste fees paid by generators, transporters, and treatment, storage, and disposal facilities. This change would allow the DEQ to continue collecting these specific fees at their current fee and revenue levels. In FY 2015, these fees are estimated to generate \$1.1 million.

Table 2 provides a list of the hazardous waste fees that are scheduled to sunset on October 1, 2014 and how much revenue is generated by each type:

**Table 2
Revenue from Hazardous Waste Management Fees that Sunset 10/1/2014**

<u>Fee</u>	<u>Estimated FY 2015 Revenue</u>
Hazardous Waste Manifest Processing Charge	\$470,000
Site ID Issuance User Charge	80,000
Hazardous Waste Generator, Transporter, or TSD User Charge; Hazardous Waste Handler User Charge	<u>550,000</u>
TOTAL	\$ 1,100,000

If the fee sunsets are still in effect on October 1, 2014, then the DEQ would no longer have the statutory authority to collect these fees and the \$1.1 million annual restricted fund revenue that they generate.

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