

FISCAL BRIEF



2023 EGLE FEE SUNSETS

Austin Scott, Senior Fiscal Analyst
November 9, 2022

FAST FACTS

- Almost half of EGLE's annual budget is funded by restricted revenue.
- Most of EGLE's restricted funds are supported by fees.
- 7 EGLE fees are scheduled to sunset in 2023.
- The sunseting fees generate \$21.3 million in annual revenue for EGLE.
- Air, groundwater, and solid waste fees are among those scheduled for sunset in 2023.

INTRODUCTION

The Department of Environment, Great Lakes, and Energy (EGLE) relies on state restricted funding to support almost half of its annual budget; 46.3% (\$337.4 million) of EGLE's FY 2022-23 gross appropriations (\$728.7 million) is funded by revenue from 52 restricted funds. Most of these funds receive proceeds from at least one of 59 fees charged by the department.

OVERVIEW OF FEES SCHEDULED TO SUNSET

Eighteen fees have sunsets specified in statute, which set the end date for collection; 7 fees are scheduled to sunset in 2023, and 11 fees are scheduled to sunset in 2025. (The remaining 41 fees have no sunset.) Fees expiring in 2023 generate \$21.3 million in annual revenue. [Table 1](#), below, provides an overview of these fees. Each is described in more detail following the table.

Table 1: 2023 EGLE Fee Sunsets

Fee	Sunset	Annual revenue
Air quality fees	October 1, 2023	\$9,600,000
Electronic device manufacturer reg.	October 1, 2023	230,000
Electronic device recycler registration	October 1, 2023	50,000
Groundwater discharge permit	October 1, 2023	1,190,000
Sewer expedited permit	October 1, 2023	31,800
Solid waste surcharge	October 1, 2023	6,000,000
Tire disposal surcharge	December 1, 2023	4,200,000
TOTAL		\$21,301,800

Data source: Department of Environment, Great Lakes, and Energy

Legislative action is required if these fees are to be collected beyond their respective sunset dates. The legislature may eliminate a sunset or extend it to a future date; all of the above sunsets were extended most recently by four years from 2019 to 2023. No action is required if the legislature wishes for a fee to sunset as scheduled.

A CLOSER LOOK AT EXPIRING FEES

Air Quality Fees	
Sunset:	October 1, 2023
Authorizing Statute:	MCL 324.5522(1)
Annual Revenue:	\$9.6 million
Fund:	Emissions Control Fund
Paid by:	Owners or operators of facilities that emit air pollutants specified in the federal Clean Air Act
Supports:	Michigan's air quality program, which identifies and abates existing air pollution problems through inter-governmental efforts and private sector cooperation; implementing state and federal air quality standards; and regulating sources of air pollutants to minimize health and environmental impact

Electronic Device Manufacturer Registration	
Sunset:	October 1, 2023
Authorizing Statute:	MCL 324.17303(6)
Annual Revenue:	\$230,000
Fund:	Electronic Waste Recycling Fund
Paid by:	Manufacturers of covered electronic devices offered for sale
Supports:	The solid waste management program, which administers construction permit and operating license program for municipal and industrial solid waste disposal facilities; overseeing the yard clippings compost facility registration program and the electronic waste takeback program; managing the disposal area financial assurance program; and providing assistance to local communities for solid waste management planning, recycling, and composting activities

Electronic Device Recycler Registration	
Sunset:	October 1, 2023
Authorizing Statute:	MCL 324.17317(6)
Annual Revenue:	\$50,000
Fund:	Electronic Waste Recycling Fund
Paid by:	Recyclers of covered electronic devices
Supports:	The solid waste management program, which administers construction permit and operating license program for municipal and industrial solid waste disposal facilities; overseeing the yard clippings compost facility registration program and the electronic waste takeback program; managing the disposal area financial assurance program; and providing assistance to local communities for solid waste management planning, recycling, and composting activities

Groundwater Discharge Permit	
Sunset:	October 1, 2023
Authorizing Statute:	MCL 324.3122(1)
Annual Revenue:	\$1.2 million
Fund:	Groundwater Discharge Permit Fund
Paid by:	Facilities or municipalities that discharge wastewater to the ground or groundwater
Supports:	The groundwater discharge permit program, which ensures proper design and construction of solid waste disposal facilities and inspects hazardous and solid waste facilities and those discharging to groundwater

Sewer Expedited Permit	
Sunset:	October 1, 2023
Authorizing Statute:	MCL 324.4112(3)
Annual Revenue:	\$31,800
Fund:	Infrastructure Construction Fund
Paid by:	Persons requesting an expedited review of an application for a conventional gravity sewer extension of 10,000 feet or less of sewer line, a simple pumping station and force main, or a small diameter pressure sewer and grinder pumping station
Supports:	1.0 full-time equated (FTE) position and the expedited processing of water and wastewater permits in accordance with 2006 PAs 601 and 602

Solid Waste Surcharge	
Sunset:	October 1, 2023
Authorizing Statute:	MCL 324.11525a(1)(a)
Annual Revenue:	\$6.0 million
Fund:	Solid Waste Fund – Staff Account
Paid by:	Owners or operators of landfills
Supports:	The solid waste management program, which administers construction permit and operating license program for municipal and industrial solid waste disposal facilities; overseeing the yard clippings compost facility registration program and the electronic waste takeback program; managing the disposal area financial assurance program; and providing assistance to local communities for solid waste management planning, recycling, and composting activities

Tire Disposal Surcharge	
Sunset:	December 1, 2023
Authorizing Statute:	MCL 257.806(3)
Annual Revenue:	\$4.2 million
Fund:	Scrap Tire Regulatory Fund
Paid by:	Applicants for a certificate of title, a salvage vehicle certificate of title, or a scrap certificate title as defined by the Michigan Vehicle Code
Supports:	The scrap tire regulatory program, which enforces the Scrap Tire Regulatory Act; managing the collection site financial assurance program; administering grants for abandoned scrap tire cleanup and disposal; and developing markets for scrap tires