

## EXPAND RECYCLING PROGRAMS

AS ENROLLED

House Bill 4114 (Substitute H-2)  
First Analysis (4-1-93)

Sponsor: Rep. Jessie Dalman  
Committee: Conservation, Environment  
and Great Lakes

### ***THE APPARENT PROBLEM:***

One of the major environmental problems faced by the state is that of waste management. Reliance upon landfills is no longer an option for the disposal of the huge amount of waste that society generates. However, since paper products make up a large amount of this waste, one viable alternative to the removal of waste to landfills has been the increased recycling of wastepaper. In order to promote that alternative throughout the state, Public Act 411 of 1988 established the Recycling Makes Cents, Office Paper Recovery Act to expand and improve the state's wastepaper recycling system. The act established a system under which all governmental offices -- state departments, the legislature, the offices of the judiciary, and the executive office -- could recycle their wastepaper and use recycled paper products. Responsibility for carrying out the recycling program was given to the Department of Natural Resources (DNR), which also was given the authority to work with other departments to fulfill its obligations, and to develop an aggressive program to locate and develop markets for recyclable wastepaper products. Accordingly, the DNR requested and received cooperation from the Department of Management and Budget. In addition, Public Act 412 of 1988 required that certain proportions of the paper products that the Department of Management and Budget procures for state agencies be made from recycled paper.

The program is considered to have been successful. The volume of paper collected and recycled has increased each year since the inception of the program. During fiscal year 1989-90, the Department of Management and Budget (DMB), Office Services Division, which operates the program for the DNR, collected and recycled 5.5 million pounds; during fiscal year 1990-91, 6.9 million pounds; and during fiscal year 1991-92, 8.03 million pounds. (This last figure represents a 150 percent increase over the amount of wastepaper processed in 1988, the year before waste paper

recycling became mandatory). At present, DMB is authorized to process "wastepaper," which is defined under the act to include printed paper, trimmings, cutting and converting paper, and post-consumer paper. The department has expanded the recycling program to process, in addition, newsprint, cardboard paper, and telephone books. Legislation is proposed that would clarify the department's authority to process these products.

### ***THE CONTENT OF THE BILL:***

The bill would amend the Recycling Makes Cents, Office Paper Recovery Act (Public Act 411 of 1988) to clarify the current provision under the act that requires the Department of Natural Resources (DNR) to establish a paper recycling system, and to expand the act's definition of "wastepaper." Currently, the act requires that the DNR "recycle wastepaper products that are recyclable and for which there is an accessible and available market." The bill would define "accessible and available market" to mean one in which opportunities exist to sell wastepaper products that are collected at rates and at locations that make it fiscally reasonable to collect that paper. At present, "wastepaper" is defined in the act to mean any discarded paper that is generated after the completion of the paper manufacturing process, and includes, but is not limited to, trimmings, printed paper, cutting and converting paper, or postconsumer paper. The bill would add corrugated paper board, newsprint, telephone books, catalogs or other mixed postconsumer paper to this list.

MCL 299.462

### ***FISCAL IMPLICATIONS:***

According to the Department of Management and Budget's Annual Recycling Report for fiscal year 1991-92, the department processed 8.03 million

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pounds of wastepaper during that fiscal year. Since current landfill fees are \$16 per cubic yard, this represents an estimated savings of \$256,960 in landfill charges. The department expects no changes in costs or savings for the current fiscal year. (3-30-93)

### ***ARGUMENTS:***

#### ***For:***

Recycling is good public policy and government has a responsibility to show leadership in this area. When the state's recycling program was established, the biggest barriers to the increased production and use of competitively-priced recycled products was the lack of reliable sources of recyclables and the lack of existing markets for those products. By requiring government offices to recycle paper and use recycled paper products, along with requiring the Department of Natural Resources (DNR) to work on market development, the state's recycling program has helped boost the recycling industry and enabled it to become more competitive and profitable. The bill would continue this progress.

#### ***Against:***

The Department of Management and Budget (DMB) already recycles cardboard, or "corrugated paper board," newsprint, and telephone books, and the bill would simply establish this procedure in statute. However, due to present budget constraints, the proposal to include catalogs in the state's recycling program should be deleted. Catalogs are not processed, according to DMB, since they are printed on a very low grade of paper which must be separated from other types of paper. If the department were required to collect and recycle catalogs, additional costs would be incurred for the purchase of special collection containers and equipment and for personnel to pick up and process the material. In addition, the prices received for this type of recycled product would not equal the expenses of collecting it.

#### ***Response:***

As written, the bill simply requires that a paper recycling system be established for products for which there is "an accessible and available market," and this has been defined under House Bill 4114 to mean that recycling of a specific product would only be required when it was fiscally beneficial to do so. The bill does not require that the DMB recycle catalogs if the procedure is not economically feasible.

### ***POSITIONS:***

The Department of Management and Budget supports House Bill 4114 as it was reported from the House Conservation, Environment and Great Lakes Affairs Committee. (3-30-93)

The Michigan Chemical Council does not oppose the bill. (3-30-93)