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Senate Bill 790 (Substitute S-4)
Sponsor: Senator Cameron S. Brown
Committee: Natural Resources and Environmental Affairs

Date Completed: 6-29-04

CONTENT

The bill would add Part 173 to the Natural Resources and Environmental Protection Act to establish the Recycling Advisory Council within the Department of Environmental Quality (DEQ). In part, the Council would have to do the following:

- Study and report to the Legislature on the costs associated with, and sources of funding for, new and existing recycling and waste diversion programs.**
- Establish goals for the diversion of waste from landfills in the State.**
- Conduct a cost-benefit analysis of expanding the scope of the beverage container deposit law.**
- Recommend to the Legislature changes to the State's comprehensive recycling plan, tax incentives to encourage recycling, and measures to foster the development of markets for recycled materials, among other recommendations.**

Council Membership

The Recycling Advisory Council would consist of the DEQ Director, or his or her designee; five members appointed by the Senate Majority Leader; five members appointed by the Speaker of the House; and four members appointed by the Governor.

The Senate Majority Leader would have to appoint one member representing each of the following: a beverage dealers' organization; a statewide business organization; a recycling business; a statewide bottlers' organization; and a statewide conservation organization.

The Speaker of the House would have to appoint one member representing each of the following: a beverage distributors' organization; a manufacturer that uses raw material consisting primarily of recycled material; an organization of townships; and an organization of cities and villages.

The Governor would have to appoint one member representing each of the following: a statewide environmental organization; county government; an officer or employee of a local unit of government responsible for recycling in that local unit; and two members of the public at large.

The Senate Majority Leader, the Speaker of the House, and the Governor could remove members they appointed for incompetency, dereliction of duty, malfeasance, misfeasance, or nonfeasance in office, or any other good cause.

The members first appointed to the Council would have to be appointed within 30 days after the bill's effective date. Members would serve for two-year terms or until a successor was appointed, whichever was later. A vacancy on the Council would have to be filled for the unexpired term in the same manner as the original appointment.

Council members would have to serve without compensation.

Organization

The DEQ Director would have to call the first Council meeting. At that meeting, the Council would have to elect from among its members a chairperson and other officers it considered necessary or appropriate. The Council then would have to meet at least quarterly, or more frequently at the call of the chairperson, or if requested by three or more members.

A majority of the members would constitute a quorum for the transaction of business at a Council meeting, and a majority of the members present and serving would be required for official Council action. The Council would be subject to the Open Meetings Act and the Freedom of Information Act.

The DEQ would have to provide staff to the Council through the Office of the Statewide Recycling Coordinator. (The position of Statewide Recycling Coordinator currently exists in the DEQ, and Senate Bill 854 would create the Office in statute.) The departments and agencies of State government would have to cooperate with the Council by providing information requested by the Council for the purposes of discharging its responsibilities.

Initial Recommendations

The Council would have to study and, by December 1, 2005, make recommendations to the Legislature on all of the following: estimates of money needed to support new and existing recycling and waste diversion in the State; sources of funding, including fees or surcharges for new and existing recycling and waste diversion; estimates of the amount of money that could be raised from these sources of funding; and an initial formula for expenditure or distribution of money from these or other sources (including distribution to recycling or diversion programs operated by local units of government or private entities).

After making its recommendations to the Legislature, the Council would have perform, on an ongoing basis, the duties described below.

Waste Diversion & Recycling

The Council would have to establish goals for the diversion of waste from landfills in the State, review all of the State's solid waste management laws and administrative rules, and recommend to the Legislature changes to promote recycling and waste diversion.

In conjunction with the Statewide Recycling Coordinator, the Council would have to establish a method for the regular review of local recycling programs to gather information about processes, markets, and recycling rates. The Council also would have to review with local recycling officials current local recycling funding programs to determine if any changes should be made in these programs.

Based on the Recycling Coordinator's report required by Public Act 171 of 2003 (which appropriated funds to the DEQ), the Council would have to recommend a strategy for a phased implementation of bans of additional materials from landfills.

The Council also would have to recommend to the Legislature for enactment into law all of the following: short-term and long-term recycling recovery and waste diversion goals; criteria for local recycling programs to qualify for funding from sources the Council identified; and measures to develop or foster the development of markets for recycled materials.

In conjunction with the DEQ, the Council would have to develop forms and requirements for reporting expenditures for waste diversion (including expenditure of money received from

the DEQ for recycling and waste diversion); and waste diversion and recycling accomplished by counties, solid waste management planning agencies, and entities that received money from the DEQ for recycling and waste diversion. The Council would have to review these data and other data regarding waste diversion and recycling, and use the data to establish criteria for, and make recommendations to, the Department and the Legislature on the use of money from sources of funding the Council had identified.

Markets for Recycled Materials

The Council would have to recommend to the Legislature tax incentives that could be provided under the Single Business Tax Act to encourage the development of markets for recycling materials that face obstacles or challenges to development, including electronic goods, batteries, and colored glass.

In cooperation with the DEQ's Office of Environmental Assistance and the Michigan Economic Development Corporation, the Council would have to encourage firms that specialize in production of products from recycled materials to establish business operations in the State. The Council would have to examine manufacturing processes that incorporate equipment or other technology to use recycled materials, or to allow for the recycling of waste products. Based on this information, the Council could develop a voluntary "best recycling practices" standard for businesses in Michigan.

Bottle Deposit Law

The Council would have to conduct a cost-benefit analysis of expanding the scope of the Initiated Law of 1976 (the beverage container deposit law), compared with alternative ways to increase recycling; report to the Legislature the Council's recommendations on changes to the beverage container deposit law; assess and report on health and safety concerns arising from the storage and handling by dealers and distributors of beverage containers returned under that law; and review the apportionment of the Unclaimed Bottle Deposit Fund and recommend to the Legislature revisions to compensate distributors and dealers more fully for costs incurred under the law.

The Council would have to create a subcouncil to monitor implementation of the pilot program for regional beverage container redemption centers, and to monitor the success of the beverage container deposit law. The subcouncil would have to include dealers, distributors, people representing redemption centers, and representatives of environmental organizations.

Proposed MCL 324.17301-324.17303

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would create the Recycling Advisory Council to review the State comprehensive recycling plan and develop the market for goods made from recycled materials. It also would require the Council to create a subcouncil to monitor a pilot program of regional beverage container redemption centers. The Council members would serve without compensation. The Department of Environmental Quality could incur expenses for providing staff services to the Council. No funding is provided to support these costs. If the recommendations of the Council on sources of funding were enacted, then that revenue could pay for Department expenses.

Fiscal Analyst: Jessica Runnels

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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.