

Legislative Analysis



RESTRICTED FUND TO GENERAL FUND TRANSFER: SOLID WASTE MANAGEMENT FUND AND SCRAP TIRE REGULATORY FUND

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Senate Bill 1068 as passed by the Senate
Sponsor: Sen. Curtis Hertel, Jr.
House Committee: Appropriations
Senate Committee: Appropriations
Complete to 9-11-20

SUMMARY:

Senate Bill 1068 would amend Part 115 of the Natural Resources and Environmental Protection Act (NREPA) by transferring \$2.0 million from the Solid Waste Management Fund–Staff Account to the general fund for FY 2019-20 only. The bill would also designate the Department of Environment, Great Lakes, and Energy (EGLE) as the administrator of the Solid Waste Management Fund for auditing purposes.

The bill would also amend Part 169 of NREPA by transferring \$4.0 million from the Scrap Tire Regulatory Fund to the general fund for FY 2019-20 only.

These two transfers were agreed to as part of a FY 2019-20 budget balancing agreement.

MCL 324.11550 and 324.16908

FISCAL IMPACT:

Senate Bill 1068 would reduce restricted revenue available to EGLE and increase revenue to the general fund. The **Solid Waste Management Fund–Staff Account** primarily supports EGLE’s Solid Waste Management Program, which permits and regulates municipal and industrial solid waste disposal facilities. The fund also supports departmental administration as provided in statute. A total of \$5.3 million is appropriated from the fund in the FY 2019-20 EGLE budget, listed below:

<u>Appropriation</u>	<u>Solid Waste Management Fund–Staff Account</u>
Central support services	\$132,300
Facilities management	36,100
Property management	203,000
Law enforcement	42,400
Solid waste management program	4,716,100
Information technology	<u>174,700</u>
Total	\$5,304,600

The fund carried forward a balance of \$7.1 million at the end of FY 2018-19; the department projects a carry-forward balance of \$6.7 million at the end of FY 2019-20 before the transfer proposed in the bill.

The **Scrap Tire Regulatory Fund** primarily supports EGLE’s Scrap Tire Grants and Scrap Tire Regulatory Program. The grants fund the removal of scrap tires from public lands; the regulatory program enforces scrap tire–related statute, including collection site financial assurance requirements, scrap tire disposal protocols, and scrap tire reuse. The fund also supports departmental administration as provided in statute. A total of \$5.1 million is appropriated from the fund in the FY 2019-20 EGLE budget, listed below:

<u>Appropriation</u>	<u>Scrap Tire Regulatory Fund</u>
Central support services	\$36,400
Facilities management	11,700
Property management	127,500
Law enforcement	30,200
Scrap tire grants	3,500,000
Scrap tire regulatory program	1,356,900
Information technology	<u>64,300</u>
Total	\$5,127,000

The fund carried forward a balance of \$12.2 million at the end of FY 2018-19; the department projects a carry-forward balance of \$10.9 million at the end of FY 2019-20 before the transfer proposed in the bill.

The bill is unlikely to affect costs for EGLE. It is also unlikely to affect revenues or costs for local governments.

Fiscal Analyst: Austin Scott

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.