



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 6001 (as reported without amendment)
Sponsor: Representative James Middaugh
House Committee: Conservation, Environment and Great Lakes
Senate Committee: Natural Resources and Environmental Affairs

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to specify that the custodian of a perpetual care fund, if directed to do so by a landfill operator or owner, could use the interest and earnings of the perpetual care fund to pay the landfill's pro rata share of the solid waste management program administration fee. Further, the bill specifies that after the fund reached the maximum required amount, both the earnings and the interest would have to be distributed as directed by the owner or operator.

Currently, the Act requires landfill owners and operators to establish and maintain a perpetual care fund as financial assurance against the costs of closure and postclosure monitoring and maintenance of a landfill, and imposes a solid waste program administration fee on operating landfill owners, which is apportioned pro rata according to the total assets in each landfill's perpetual care fund. The custodian of the fund is required to credit to the fund its interest and earnings until the fund reaches its maximum required amount, at which time the fund's earnings must be distributed as directed by the owner or operator. The bill would allow the custodian to use the interest and earnings to pay the mandatory administration fee before the maximum amount was reached and would provide for the disbursement of the interest, as well as the earnings, after the fund reached the mandatory maximum amount.

MCL 324.11525

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The bill would have no direct fiscal impact on State or local government. However, the potential diversion of interest from landfill owners' perpetual care funds could result in lower fund balances, which are designed as financial assurance against the costs of closing, monitoring, and maintaining a landfill.

Date Completed: 12-3-96

Fiscal Analyst: G. Cutler

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