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Senate Bill 1052 (Substitute S-1 as reported)
Sponsor: Senator Darrin Camilleri
Committee: Energy and Environment

CONTENT

The bill would require the Department of Environment, Great Lakes, and Energy (EGLE) to prepare, adopt, and update every five years a comprehensive State Hazardous and Radioactive Waste Management Plan. Among other requirements, the Plan would have to include an analysis of all hazardous or radioactive waste streams generated within the State and a determination of necessary in-State capacity to manage the amount of hazardous or radioactive waste generated in the State. Until the plan was adopted, the bill would issue a moratorium on licenses and permits for the operation of hazardous waste treatment, storage, and disposal facilities, and the moratorium would continue if a new or expanded facility would cause the total permitted capacity to exceed one-fifth of the current Plan's limits. The bill also would prohibit further disposal in the State of technologically enhanced naturally occurring radioactive material (TENORM), which are natural radioactive materials whose concentrations have been increased by human activity. Finally, the bill would require certain classes of injection wells to secure surety bonds for reclamation purposes.

MCL 324.11102 et al.

BRIEF RATIONALE

According to testimony, State laws regarding hazardous waste have failed to keep pace with the rest of the nation. Other states have banned TENORM with high concentrations of radioactivity and so Michigan has become a default dumping zone of TENORM. Some believe the bill's ban on further TENORM disposal and increase in financial assurance requirements would reduce TENORM's presence in Michigan and ensure that residents do not pay costs of environmental damage or cleanup after a facility closed.

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bill would have a minor negative fiscal impact on EGLE. There would be increased administrative costs associated with analyzing and gathering the necessary data to produce an updated hazardous and radioactive waste management plan. There would also be administrative costs associated with oversight and implementation of the plans as they are developed and updated every five years.

The bill also would place a moratorium on permitting the establishment of new or expansion of existing hazardous or radioactive waste management facilities based upon these five-year plans. This means that some labor costs could be saved while permits do not require processing, but with fewer permit applications this would likely have a neutral effect on EGLE.

The bill would provide requirements for proof of financial responsibility, for which the State would be the sole beneficiary, of at least \$1.0 million for operators of Class I wells, and \$250,000 for operators of Class III wells. These minimums would have to be sufficient to

cover costs associated with well plugging and reclamation. Additionally, this financial responsibility would have to include environmental pollution insurance coverage of at least \$5.0 million per occurrence for Class I wells, and \$2.5 million for Class III wells. The bill also would require proof of financial responsibility of at least \$2,500 for any test wells to cover costs of plugging and reclamation. Environmental insurance requirements could substantially mitigate costs to the State associated with well plugging or remediation when needed. These requirements and their administration would have an indeterminate negative fiscal impact on EGLE due to the time and labor costs associated with oversight.

Date Completed: 12-9-24

Fiscal Analyst: Jonah Houtz

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