

THE BOND BUYER

Michigan's plan to replace its tapped out environmental bond fund

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Michigan Gov. Rick Snyder wants higher landfill fees to replace a tapped-out \$675 million bond fund for environmental projects.

Snyder announced on Tuesday that he wants to increase the current landfill dumping fee from \$0.36 per ton to \$4.75 per ton. The increase would raise \$79 million annually.

The cost of Snyder's proposal would be, on average, \$4.75 per household annually. Snyder said other Midwestern states charge as much as \$13 per ton for landfill waste disposal.

In addition to restoring thousands of polluted industrial sites, the fee increase would provide grants to encourage more recycling and water quality monitoring, along with state park infrastructure improvements.

The plan would replace bond money that was spent for environmental cleanup.

A 1998 ballot measure authorized the state to issue \$675 million in bonds for environmental protection along with waterfront and state park improvements. Snyder is proposing to shift nearly \$15 million from another fund — one used to address 8,000 leaking underground fuel tanks — as a one-time "buffer" to continue the remediation of abandoned paper mills, foundries and other properties next year.

Snyder said in his State of State address last week that the money had all been spent and the state still owed more than ten years of debt service on the bonds.