

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT (EXCERPT)
Act 451 of 1994

324.11525 Perpetual care fund; applicability.

Sec. 11525.

(1) This section does not apply to a landfill unless the landfill is subject to section 11523(1)(a).

(2) The owner or operator of a landfill or coal ash impoundment shall establish and maintain a perpetual care fund for a period of 30 years after final closure of the landfill or coal ash impoundment as specified in this section. A perpetual care fund may be established as a trust fund, an escrow account, or a perpetual care fund bond and may be used to demonstrate financial assurance for a landfill or coal ash impoundment.

(3) Except as otherwise provided in this section, the owner or operator of a landfill shall increase the amount of the perpetual care fund 75 cents for each ton or portion of a ton of solid waste, other than materials described in subsection (4), that is disposed of in the landfill until the fund reaches the maximum required fund amount. As of July 1, 2018, the maximum required fund amount for a landfill or coal ash impoundment is \$2,257,000.00. The department shall annually adjust this amount for inflation by multiplying the amount by an inflation factor derived from the most recent United States Department of the Interior, Bureau of Reclamation Composite Index published by the United States Department of Commerce or another index more representative of the costs of closure and postclosure monitoring and maintenance as approved by the department. The department shall round the resulting amount to the nearest thousand dollars. Increases to the amount of a perpetual care fund required under this subsection shall be calculated based on solid waste disposed of in the landfill as of the end of the state fiscal year and shall be made within 30 days after the end of each state fiscal year.

(4) The owner or operator of a landfill or coal ash impoundment shall increase the amount of the perpetual care fund 7.5 cents for each ton or portion of a ton of the following that are disposed of after December 28, 2018 until the fund reaches the maximum required fund amount under subsection (3):

(a) Coal ash, wood ash, cement kiln dust, or a combination thereof that is disposed of in the landfill or coal ash impoundment if the disposal area is used only for the disposal of these materials or these materials are permanently segregated in the disposal area.

(b) Wastewater treatment sludge or sediments from wood pulp or paper producing industries that is disposed of in a landfill if the landfill is used only for the disposal of these materials or these materials are permanently segregated in the landfill.

(c) Foundry sand or other material that is approved by the department for use as daily cover at a landfill if it is an operating landfill, foundry sand that is disposed of in a landfill if the landfill is used only for the disposal of foundry sand, or foundry sand that is permanently segregated in a landfill.

(5) The owner or operator of a landfill that is used only for the disposal of a mixture of 2 or more of the materials described in subsection (4)(a) to (c) or in which a mixture of 2 or more of these materials are permanently segregated shall increase the amount of the perpetual care fund 7.5 cents for each ton or portion of a ton of these materials that are disposed of in the landfill.

(6) The amount of a perpetual care fund is not required to be increased for materials that are regulated under part 631.

(7) The owner or operator of a landfill may increase the amount of the perpetual care fund above the amount otherwise required by this section at his or her discretion.

(8) The custodian of a perpetual care fund trust fund or escrow account shall be a bank or other financial institution that has the authority to act as a custodian and whose account operations are regulated and examined by a federal or state agency. Until the perpetual care fund trust fund or escrow account reaches the maximum required fund amount, the custodian of the perpetual care fund trust fund or escrow account shall credit any interest and earnings of the perpetual care fund trust fund or escrow account to the perpetual care fund trust fund or escrow account. After the perpetual care fund trust fund or escrow account reaches the maximum required fund amount, any interest and earnings shall be distributed as directed by the owner or operator. The custodian may be compensated from the fund for reasonable fees and costs incurred in discharging the custodian's responsibilities. The custodian of a perpetual care fund trust fund or escrow account shall make an accounting to the department within 30 days following the close of each state fiscal year.

(9) The custodian of a perpetual care fund shall not disburse any funds to the owner or operator of a landfill or coal ash impoundment for the purposes of the perpetual care fund except upon the prior written approval of the department. However, the custodian shall ensure the filing of all required tax returns for which the perpetual care fund is liable and shall disburse funds to pay taxes owed by the perpetual care fund without permission of the department. The owner or operator of the landfill or coal ash impoundment shall provide notice of requests for disbursement and the department's denials and approvals to the custodian of the perpetual care fund. The owner or operator of a landfill or coal ash impoundment may request disbursement of funds from a perpetual care fund if the

amount of money in the fund exceeds the maximum required fund amount under subsection (3), unless a disbursement for that reason has been approved by the department within the preceding 180 days. The department shall approve the disbursement if the total amount of financial assurance maintained meets the requirements of section 11523(1)(a) or (c), as applicable.

(10) If the owner or operator of a landfill or coal ash impoundment fails to conduct closure, postclosure monitoring and maintenance, or corrective action as necessary to protect the environment, natural resources, or the public health, safety, or welfare, or fails to request the disbursement of money from a perpetual care fund when necessary to protect the environment, natural resources, or the public health, safety, or welfare, or fails to pay the solid waste management program administration fee or the surcharge required under section 11525a, then the department may draw on the perpetual care fund and may expend the money for closure, postclosure monitoring and maintenance, and corrective action or for payment of the fee or surcharge, as necessary. The department may also draw on a perpetual care fund for administrative costs associated with actions taken under this subsection.

(11) Upon approval by the department of a request to terminate financial assurance for a landfill or coal ash impoundment under section 11525b, any money in the perpetual care fund for that landfill or coal ash impoundment shall be disbursed by the custodian to the owner of the landfill or coal ash impoundment unless an agreement between the owner and the operator provides otherwise.

(12) The owner of a landfill or coal ash impoundment shall provide notice to the custodian of the perpetual care fund for that landfill or coal ash impoundment if there is a change of ownership of the landfill. The custodian shall maintain records of ownership of a landfill or coal ash impoundment during the period of existence of the perpetual care fund.

(13) This section does not relieve an owner or operator of a landfill or coal ash impoundment of any liability that the owner or operator may have under part 115 or as otherwise provided by law.

(14) This section does not create a cause of action at law or in equity against a custodian of a perpetual care fund other than for errors or omissions related to investments, accountings, disbursements, filings of required tax returns, and maintenance of records required by this section or the applicable perpetual care fund.

(15) A perpetual care fund that is established as a trust fund or escrow account may be replaced with a perpetual care fund that is established as a perpetual care fund bond that complies with this section. Upon such replacement, the department shall authorize the custodian of the trust fund or escrow account to disburse the money in the trust fund or escrow account to the owner of the landfill or coal ash impoundment unless an agreement between the owner and operator specifies otherwise.

(16) An owner or operator of a landfill or coal ash impoundment that uses a perpetual care fund bond to satisfy the requirements of this section shall also establish a standby trust fund or escrow account. All payments made under the terms of the perpetual care fund bond shall be deposited by the custodian directly into the standby trust fund or escrow account in compliance with instructions from the department. The standby trust fund or escrow account must meet the requirements for a trust fund or escrow account established as a perpetual care fund under subsection (2), except that until the standby trust fund or escrow account is funded pursuant to the requirements of this subsection, the following are not required:

(a) Payments into the standby trust fund or escrow account as specified in subsection (3).

(b) Annual accountings as required in subsection (8).

(17) As used in this section, "custodian" means the trustee or escrow agent of any of the following:

(a) A perpetual care fund that is established as a trust fund or escrow account.

(b) A standby trust fund or escrow account for a perpetual care fund bond.

History: 1994, Act 451, Eff. Mar. 30, 1995 ;-- Am. 1996, Act 359, Imd. Eff. July 1, 1996 ;-- Am. 1996, Act 506, Imd. Eff. Jan. 9, 1997 ;-- Am. 2003, Act 153, Eff. Oct. 1, 2003 ;-- Am. 2013, Act 250, Imd. Eff. Dec. 26, 2013 ;-- Am. 2018, Act 640, Imd. Eff. Dec. 28, 2018 ;-- Am. 2022, Act 246, Eff. Mar. 29, 2023

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