



GRETCHEN WHITMER
GOVERNOR


STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
LANSING



PHILLIP D. ROOS
DIRECTOR

TO: Landfill Owners/Operators

FROM: Katriena Hurley, Solid Waste Section, Materials Management Division

DATE: July 25, 2024 

SUBJECT: Financial Assurance Inflation Adjustments for July 1, 2024, through June 30, 2025, for Type II Landfills Licensed before March 29, 2023

This memo provides information related to the inflation adjustment factor for adjusting closure/post-closure financial assurance costs for your Type II solid waste landfill licensed before March 29, 2023, for the period of July 1, 2024, through June 30, 2025.

Please note that if your landfill is in post-closure, you need to submit updated financial assurance on an annual basis based on the anniversary date of your landfill closure certification until such time the Michigan Department of Environment, Great Lakes, and Energy (EGLE) terminates your financial assurance. For facilities that are actively taking waste, you need to submit updated financial assurance on an annual basis based on the anniversary date of your operating license issuance.

1. As of March 29, 2023, pre-existing units at Type II landfills and Type II landfills that stopped receiving waste and were certified closed before April 9, 1997, are no longer required to annually adjust for inflation, unless they elect to provide financial assurance under 11523(1)(b). The closure/post-closure cost inflation factor for existing Type II landfills is **2.606**.

- Landfill owner/operators for existing¹ Type II landfills with operating licenses issued prior to March 29, 2023, will use the inflation factor of **2.606** to calculate the annual adjustment for closure/post-closure costs for the period July 1, 2024, through June 30, 2025.
- Landfill owner/operators will utilize Form B² - Closure Cost Estimate for adjusting closure costs to account for inflation. On Form B, line 18, insert the new inflation index of **542**; on line 19, insert the base year inflation index of 208; and on line 20, insert the inflation factor of **2.606**.
- Landfill owner/operators will utilize form C² – Post-closure Cost Estimate for adjusting post-closure costs to account for inflation. On form C, line 20, insert the new inflation index of **542**; line 21, insert the base year inflation index of 208; and on line 22, insert the inflation factor of **2.606**.

¹ Receiving waste after October 9, 1993.

² Forms B, C, and D are available by accessing [Solid Waste Disposal Areas](#) and selecting Closure/Post-Closure Financial Assurance Forms (Old Calculations).

- Landfill owner/operators who are in the process of applying for a new Type II solid waste disposal area operating license or renewing a solid waste disposal area operating license for a Type II landfill that will be issued during the July, 2024, through June 30, 2025, period will need to submit financial assurance based on the requirements of Section 11523a of Part 115, Solid Waste Management, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Part 115) before the license is issued.
2. PCF Maximum for operating³ Type II and Type III Landfills still required to maintain a PCF is \$3,013,000.
- As of March 29, 2023, Type II landfills are no longer required to deposit funds into their PCF. A PCF and any other bond that is utilized by a landfill to demonstrate financial assurance under Part 115 and that is in existence on the effective date of the amendatory act that added this section (March 29, 2023) is considered a landfill care fund under the section for purposes of demonstrating compliance with Section 11523a until the issuance of a new license for the landfill on or after the date 2 years after the effective date of the amendatory act (March 29, 2025).
 - Upon reaching the PCF maximum of \$3,013,000 for operating Type II or Type III landfills still required to maintain a PCF, a landfill owner/operator can cease deposits to the PCF during the period of July 1, 2024, through June 30, 2025. In some cases, the landfill owner/operator may be eligible to receive a disbursement from the PCF account upon written request when there is excess financial assurance.

This memo does not address the inflation adjustment for corrective action costs. Landfill owner/operators will utilize form D² – Corrective Action Cost Estimate for adjusting corrective action costs. Corrective action costs are based on third-party cost estimates, and the inflation factor is calculated using the base year inflation index of the original corrective cost estimate and the current inflation index.

A Type II landfill owner/operator has the option to use third-party closure and post-closure cost estimates per Section 11523a(3) of Part 115 rather than Forms B and C as mentioned in Items 1 and 2, above, for calculating their closure and post closure costs. If EGLE approves these costs, an annual inflation adjustment factor using the most recent Bureau of Reclamation Composite Index for construction trends is applied.

³ Operating landfill is defined as a landfill that is open and licensed to receive waste and required to have a PCF in accordance with Section 11525 of Part 115 or closed and is being monitored and required to have a PCF.

New and/or updated original financial assurance mechanisms shall be submitted to:

Michigan Department of Environment, Great Lakes, and Energy
Materials Management Division
Solid Waste Section

U.S. Mail

P.O. Box 30241
Lansing, Michigan 48909-7741

Overnight Courier

Attn: Katriena Hurley, Fourth Floor South
525 West Allegan Street
Lansing, Michigan 48933

Updated financial assurance cost estimates shall be submitted to:

E-mail

EGLE-Solid-Waste-Forms@Michigan.gov

Should you require further information, please contact your Materials Management Division (MMD) District Office representative, or you may contact me at 517-388-0293 or HurleyK1@Michigan.gov.

cc: Phil Roycraft, EGLE
Rhonda Oyer, EGLE
MMD District Supervisors, EGLE