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BILL ANALYSIS



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Senate Bill 677 (as enacted)
Sponsor: Senator Michelle A. McManus
Senate Committee: Appropriations
House Committee: Appropriations

PUBLIC ACT 417 of 2008

Date Completed: 1-9-09

CONTENT

The bill amended Part 215 (Refined Petroleum Fund) of the Natural Resources and Environmental Protection Act to extend the date by which claims may be submitted for reimbursement under the Temporary Reimbursement Program, and to reduce the minimum amount of claims submitted for reimbursement.

The Temporary Reimbursement Program (TRP) was created in 2006 to provide eligible parties with a reimbursement of up to \$50,000 for corrective action costs of refined petroleum product releases. A total of \$45.0 million was appropriated from the Refined Petroleum Fund for this purpose. Applicants were required to submit a precertification application to the Department of Environmental Quality (DEQ). Once it was approved, corrective action costs incurred on the project within the next 540 days were eligible for reimbursement. Work invoices could be submitted throughout that time period and grantees had 60 days after the 540-day work period to submit any final claims.

For most of the applicants, the 540-day period ended by November 1, 2008. For the rest, the period would have ended by July 28, 2009. The bill extended the deadline by which corrective action costs may be eligible for reimbursement to September 30, 2009, and requires claims for reimbursement to be submitted to the DEQ by December 29, 2009.

While each applicant may receive up to \$50,000 total in reimbursement, there was a requirement that work invoices submitted for reimbursement not be less than \$5,000,

except for the final invoice. The bill lowered this minimum to \$3,000.

MCL 324.21556 & 324.21559

FISCAL IMPACT

The bill will cost the State an unknown amount of money from the Refined Petroleum Fund. The appropriation for the TRP was enacted in FY 2006-07 and some of the available funding was expected to go unspent and lapse to the Refined Petroleum Fund. However, since the deadline for making reimbursement claims has been extended, fewer dollars will lapse back to the Refined Petroleum Fund and be available for appropriation in the future. The initial appropriation for the TRP was \$45.0 million. In FY 2006-07, \$70.0 million was transferred out of the Refined Petroleum Fund to support other environmental budget activities. The transfer of the Fund balance reduced the total amount available for the TRP to \$39.0 million.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.