



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 293 (as introduced 2-16-95)
Sponsor: Senator Joel D. Gougeon
Committee: Natural Resources and Environmental Affairs

Date Completed: 9-16-96

CONTENT

The bill would amend Public Act 17 of 1921, which provides for the protection and conservation of the State's natural resources, to specify that prior to implementation of a program established after the effective date of the bill that would impose new regulations on local units of government, the Department of Natural Resources (DNR) would have to prepare an economic impact statement that detailed the effect of the new regulations on the local economy.

The economic impact statement would have to use generally accepted methodology; detail both short-term and long-term economic effects of the regulation; review the alternatives, including the null alternative; and include the following information:

- A description of the regulation and its purpose, the legal authority for it, and the plan for implementing it.
- A determination of the need for the regulation and the expected benefit of the regulation.
- A determination that the regulation was the most cost-effective method for achieving the stated purpose, and that it represented the most efficient allocation of public and private resources to achieve the stated purpose.
- The source of revenue to be used for implementing and enforcing the regulation.
- A determination of the probable result of the regulation in terms of the number of public and private jobs that would be created, retained, or eliminated and the relative impact of the regulation on businesses of differing sizes.
- A determination of the effect of the regulation on competition within the State, with other states, and with regions on the regulated community, and on potential global competition.
- A determination of the effect of the regulation on the State tax base and the cost of living.
- A description of any increase or decrease in costs to the State and its political subdivisions, including revenues that could be lost because of the regulation, and the estimated dollar measure of the costs.
- A conclusion as to the economic impact of the regulation upon all persons substantially affected by it, including an analysis containing a description as to which persons would bear the costs of the action and which persons would benefit directly and indirectly from the action.

An economic impact statement that omitted any information required by the bill would have to note specifically the omission, the reason for the omission, the importance of any relevant information so omitted to a complete and realistic assessment of the economic impact of the regulation, and the additional time and effort required to obtain any information needed for the assessment.

In preparing an economic impact statement, the DNR would have to consult with appropriate Federal, State, and local agencies. All State agencies would be required to cooperate with the DNR in preparing an economic impact statement.

Upon completion of an economic impact statement, the DNR would have to provide a copy of the statement to the standing committees of the Legislature that primarily consider issues pertaining to the protection of natural resources and the environment, and to the Senate and House Appropriations Committees. Further, the DNR would have to make the economic impact statement available to any person upon request.

Proposed MCL 299.4a

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The bill would have an indeterminate fiscal impact, depending upon the number of regulations, the complexity of the analysis, and the end use of the analytical product.

According to the DNR, the bill would have a minimal fiscal impact due to the nonregulatory nature of its programs.

Fiscal Analyst: G. Cutler

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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.