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LAND AND WATER PERMIT FEES

House Bill 4470 as introduced
Sponsor: Rep. Patricia Birkholz

House Bill 4471 as introduced
Sponsor: Rep. Larry DeVuyst

First Analysis (5-4-99)
Committee: Conservation and Outdoor Recreation

THE APPARENT PROBLEM:

The Department of Environmental Quality is authorized under a number of acts to review permit applications submitted for various purposes that relate to the use of land and water (i.e., operating marinas, performing construction work in certain areas near water, using chemicals to control "aquatic nuisances" such as swimmers' itch, and the like). The department has been authorized to charge various fees for permit applications required to be submitted; the fees are used to help the department defray its costs in processing permit applications, responding to unauthorized activities by people regulated under the acts, providing information to the public, and performing various other administrative tasks required under the statute. Legislation was enacted in 1991 and 1993 to increase these fees, to establish an application fee system to cover the administrative costs of reviewing and processing permit applications, and to create the Land and Water Management Permit Fee Fund within the state treasury. The authorization for the fees was renewed in 1995 and will again expire on October 1, 1999. Consequently, legislation has been proposed to extend the sunset dates.

THE CONTENT OF THE BILLS:

Currently, certain parts of the Natural Resources and Environmental Protection Act (NREPA), concerning permits for various types of construction on inland lakes and on Great Lakes waters, will expire on October 1, 1999. The bills would extend the sunset date of these provisions until October 1, 2003. House Bill 4470 would amend provisions of Part 31 concerning the collection of storm water discharge fees (MCL 324.3118), and House Bill 4471 would extend the sunset date of other provisions as follows:

- Part 31 of the NREPA (MCL 324.3104), concerning water resources protection: an application for a permit to alter a floodplain.
- Part 301 of the NREPA (MCL 324.30104 et al.), concerning inland lakes and streams: an application for a permit for projects involving a seasonal drawdown or associated reflooding, or both, of a dam or impoundment for weed control purposes; for construction or expansion of a marina; for renewal of a marina operating permit; for major projects such as dredging or seawalls; and all other projects. In addition the bill would extend the sunset date providing for the establishing of a service fee for finding the location of a high-water mark for a riparian owner.
- Part 323 of the NREPA (MCL 324.32312), concerning shorelands protection and management, provisions for building permit fees on high-risk, flood risk, or environmental areas.
- Part 325 of the NREPA (MCL 324.32513), which regulates Great Lakes Submerged Lands, for construction on bottomlands or filled-in lands.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency (HFA), the bills would have an indeterminate impact on state funds. The HFA estimates that total annual spending from the storm water permit fees collected by the Department of Environmental Quality (DEQ) is approximately \$1.3 million. funds, and total annual appropriations for the department from land and water management permit fees are approximately \$2.8 million. (4-29-99)

ARGUMENTS:

For:

The bills continue a revenue source that enables the department to fulfill its required tasks under the acts. It seems reasonable to impose on those who benefit financially and otherwise by using land and water in a variety of ways--many of which dramatically affect the environment--fees high enough to generate the kind of revenue the DEQ needs to hire staff and acquire resources necessary to process permit applications, regulate those governed under the acts, and carry out its other duties required by these acts in a timely and efficient manner.

POSITIONS:

The Department of Environmental Quality (DEQ) supports the bills. (4-29-99)

The Michigan United Conservation Clubs (MUCC) supports the bills. (5-3-99)

Analyst: R. Young

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.