

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4470 (as reported without amendment)
House Bill 4471 (Substitute S-1 as reported)
Sponsor: Representative Patricia Birkholz (H.B. 4470)
Representative Larry DeVuyst (H.B. 4471)
House Committee: Conservation and Outdoor Recreation
Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 5-18-99

RATIONALE

The Department of Environmental Quality (DEQ) is authorized under the Natural Resources and Environmental Protection Act to review permit applications for various purposes that relate to the use of land and water, e.g., operating marinas and performing construction work in certain areas near water. Further, the DEQ is authorized to assess fees to help defray its costs in processing permit applications, responding to unauthorized activities by people regulated under the Act, providing information to the public, and performing various other administrative tasks required by the statute. The authorization of various permit fees, however, is scheduled to expire on October 1, 1999. Some people believe that in order for the DEQ to continue to process permit applications and fulfill its other regulatory and investigative duties, it must have the fee revenue to support the activities. Therefore, it has been suggested that the sunset date for these permit fees be extended.

CONTENT

The bills would amend the Natural Resources and Environmental Protection Act to extend for four years, until October 1, 2003, the sunset date on permit fees for storm water discharge programs; floodplains programs; shoreland protection projects; and construction or expansion projects on inland lakes and streams and the Great Lakes submerged lands.

In addition, House Bill 4471 (S-1) would extend until October 1, 2003, the annual \$25 notification fee for persons who have requested notice of pending project applications, and the \$500 service fee for riparian owners requesting the Department of Environmental Quality to establish the location of the ordinary high-water mark for their property. (The bill provides that the service fee would be \$50 beginning

October 1, 2003.)

Currently, until October 1, 1999, the Act requires the application for a permit to be accompanied by a one-time \$125 fee for storm water discharge related solely to a site of construction activity and a \$200 fee for a site not related solely to construction activity; a \$500 fee and a \$1,500 review fee for a floodplains project and a \$100 fee for a minor project; a \$50 fee and a \$500 initial fee for seasonal drawdown or the associated reflooding of a dam or impoundment; a \$2,000 fee for major projects and a \$500 fee for all other projects on inland lakes and streams and/or the Great Lakes; a \$500 fee for commercial or multifamily residential projects, a \$100 fee for single-family home construction, a \$50 fee for single-family home additions or for projects that have a minor impact on fish and wildlife resources in environmental areas; and a \$50 fee for an expansion of 1-10 slips to an existing marina, a \$100 fee for a new marina with 1-10 proposed slips, a \$250 fee for an expansion of 11-50 slips plus \$10 for each slip over 50, a \$500 fee for a new marina with 11-50 proposed marina slips plus \$10 for each slip over 50, and a \$1,500 fee if an existing marina proposes a maintenance dredging.

Under the Act, the marina construction fee will be \$25 for all inland lakes and streams projects and \$50 for all Great Lakes submerged lands projects beginning October 1, 1999. Under the bill, these reduced fees would apply beginning October 1, 2003.

In addition, House Bill 4471 (S-1) provides that money in the Storm Water Fund could be spent for certification of storm water operators, educational material to assist persons regulated under storm water permits, and termination of storm water permits, in addition to the current spending specifications. Under the Act, the Department must

spend money from the Fund, upon appropriation, only for review of storm water permit applications; storm water permit development, issuance, reissuance, and modification; surface water monitoring to support the storm water permitting process; assessment of compliance with storm water permit conditions; enforcement against storm water permit violations; classification of storm water control facilities; and certification of storm water operators.

MCL 324.3118 (H.B. 4470)
324.3104 et. al (H.B. 4471)

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bills would continue a revenue source that enables the DEQ to process and administer permit applications, notices, and services. Those whose projects affect the State's natural resources and those who benefit financially and otherwise by using land and water in a variety of ways should continue to be assessed fees to generate the kind of revenue the DEQ needs to hire staff and acquire resources necessary to execute its duties in a timely and efficient manner.

Legislative Analyst: N. Nagata

FISCAL IMPACT

House Bill 4470

The bill would extend the sunset on storm water discharge permit fees to allow continued receipt of revenue to the State. For FY 1997-98, these fees generated approximately \$900,000 in revenue to the State, designated for DEQ storm water discharge programs.

House Bill 4471 (S-1)

The bill would extend the sunset date on specified land and water permit fees to allow continued receipt of revenue to the State. For FY 1997-98, these fees generated approximately \$990,000 in revenue to the State, designated for DEQ land and water regulatory programs.

Fiscal Analyst: G. Cutler

H9900\4470a

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.