



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



BILL ANALYSIS

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

House Bill 5586 (Substitute S-1 as reported)  
Sponsor: Representative Daniel Acciavatti  
House Committee: Great Lakes and Tourism  
Senate Committee: Natural Resources and Environmental Affairs

### **CONTENT**

The bill would amend Part 31 (Water Resources Protection) of the Natural Resources and Environmental Protection Act to require a person who polluted Michigan waters to report the release to the Department of Environmental Quality (DEQ), to the primary public safety answering point (PSAP) where the release occurred, and to local health departments.

Also, the bill would amend Section 51107 of the Act, which requires an adjustment in 2004 and every 10th year after 2004, in the amount the Department of Natural Resources (DNR) pays to counties as reimbursement for revenue lost when owners of commercial forest land pay reduced property taxes to the counties. Under the bill, the adjustment would take place in 2006, instead of 2004, and every 10th year thereafter.

The bill is tie-barred to Senate Bill 977. (As passed by the House, that bill would prescribe mandatory civil fines for failure to report a release to a PSAP or local health department.)

MCL 324.3101 et al.

Legislative Analyst: Claire Layman

### **FISCAL IMPACT**

The pollution reporting requirements of the bill would have no fiscal impact on State or local government.

The amendments to Section 51107 postponing the decennial adjustment for payments in lieu of taxes on commercial forest lands would result in savings for the State. In 2003, there were 2,237,000 acres of land in the State certified by the DNR as commercial forest land, for which the DNR paid \$1.20 per acre for a total of \$2,684,400 in payments in lieu of taxes. An appropriation of \$2,691,700 was enacted for FY 2003-04. Since counties are not required to report the number of timber cutover acres, sufficient information is not available to calculate the per-acre amount of the State equalized valuation (SEV) of timber cutover for the decennial adjustment ratio. Using the true cash value of timber cutover land statewide as an approximation, the current statutory increase will raise the pay rate by 357.6% from \$1.20 to \$4.30 per acre, for a total payment of \$9,619,100. The payments are supported entirely with General Fund revenue.

Using the true cash value of timber cutover land to estimate the increase, the rate paid by owners of commercial forests will increase under current statute from \$1.10 to \$3.93 per acre, for a total payment of \$8,791,410. Since it would maintain the amounts paid by commercial foresters and the State at current levels, the bill would result in a collective loss to counties of \$13,265,410 in additional revenue anticipated in FY 2004-05, and savings for commercial foresters of \$6,330,710 and savings for the State of \$6,934,700.

Date Completed: 5-20-04

Fiscal Analyst: Jessica Runnels

[floor\hb5586 \(S-1\)](#)

Analysis available @ <http://www.michiganlegislature.org>

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.