

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 560**

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending section 3101 (MCL 324.3101), as amended by 2001 PA  
114, and by adding sections 3122, 3123, and 3124.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 3101. As used in this part:

2       (a) "Aquatic nuisance species" means a nonindigenous species  
3 that threatens the diversity or abundance of native species or  
4 the ecological stability of infested waters, or commercial,  
5 agricultural, aquacultural, or recreational activities dependent  
6 on such waters.

7       (b) "Ballast water" means water and associated solids taken  
8 on board a vessel to control or maintain trim, draft, stability,  
9 or stresses on the vessel, without regard to the manner in which  
10 it is carried.

1 (c) "Ballast water treatment method" means a method of  
2 treating ballast water and sediments to remove or destroy living  
3 biological organisms through 1 or more of the following:

4 (i) Filtration.

5 (ii) The application of biocides or ultraviolet light.

6 (iii) Thermal methods.

7 (iv) Other treatment techniques approved by the department.

8 (d) "Department" means the department of environmental  
9 quality.

10 (e) "Detroit consumer price index" means the most  
11 comprehensive index of consumer prices available for the Detroit  
12 area from the United States department of labor, bureau of labor  
13 statistics.

14 (f) "Great Lakes" means the Great Lakes and their connecting  
15 waters, including ~~lake~~ **Lake** St. Clair.

16 (g) **"Group 1 facility" means a facility whose discharge is**  
17 **described by R 323.2218 of the Michigan administrative code.**

18 (h) **"Group 2 facility" means a facility whose discharge is**  
19 **described by R 323.2210(y), 323.2215, or 323.2216 of the Michigan**  
20 **administrative code.**

21 (i) **"Group 3 facility" means a facility whose discharge is**  
22 **described by R 323.2211 or 323.2213 of the Michigan**  
23 **administrative code.**

24 (j) ~~(g)~~ "Local unit" means a county, city, village, or  
25 township or an agency or instrumentality of any of these  
26 entities.

27 (k) ~~(h)~~ "Municipality" means this state, a county, city,

1 village, or township, or an agency or instrumentality of any of  
2 these entities.

3 (l) ~~(i)~~ "Nonocean-going vessel" means a vessel that is not  
4 an ocean-going vessel.

5 (m) ~~(j)~~ "Ocean-going vessel" means a vessel that operates on  
6 the Great Lakes or the St. Lawrence waterway after operating in  
7 waters outside of the Great Lakes or the St. Lawrence waterway.

8 (n) ~~(k)~~ "Sediments" means any matter settled out of ballast  
9 water within a vessel.

10 (o) ~~(l)~~ "Sewage sludge" means sewage sludge generated in  
11 the treatment of domestic sewage, other than only septage or  
12 industrial waste.

13 (p) ~~(m)~~ "Sewage sludge derivative" means a product for land  
14 application derived from sewage sludge that does not include  
15 solid waste or other waste regulated under this act.

16 (q) ~~(n)~~ "Sewage sludge generator" means a person who  
17 generates sewage sludge that is applied to land.

18 (r) ~~(o)~~ "Sewage sludge distributor" means a person who  
19 applies, markets, or distributes, except at retail, a sewage  
20 sludge derivative.

21 (s) ~~(p)~~ "St. Lawrence waterway" means the St. Lawrence  
22 river, the St. Lawrence seaway, and the gulf of St. Lawrence.

23 (t) ~~(q)~~ "Waters of the state" means groundwaters, lakes,  
24 rivers, and streams and all other watercourses and waters,  
25 including the Great Lakes, within the jurisdiction of this  
26 state.

27 **Sec. 3122. (1) An application for a permit to discharge**

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1 wastewater to the ground or ground water of this state pursuant  
2 to section 3112 shall be submitted to the department. Within 90  
3 days after an application is received, the department shall  
4 determine whether the application is administratively complete.  
5 If the department determines that an application is not complete,  
6 the department shall notify the applicant in writing within this  
7 time period. If the department does not make a determination as  
8 to whether the application is complete within this time period,  
9 the application shall be considered to be complete.

10 (2) Until October 1, 2005, [except as otherwise provided in this  
section,] an application under subsection

11 (1) shall be accompanied by an application fee as follows:

12 (a) For a group 1 facility, \$500.00.

13 (b) For a group 2 facility, \$300.00.

14 (c) For a group 3 facility, \$50.00.

15 (3) Within 180 days after receipt of a complete application  
16 permit, the department shall either grant or deny the permit,  
17 unless the applicant and the department agree to extend this time  
18 period. For renewals of permits described in subsection (1) in  
19 which no discharge change in the permit is requested, if the  
20 department determines that there were no compliance violations or  
21 reporting abnormalities during the term of the existing permit,  
22 the permit is automatically renewed for the same term as provided  
23 in the existing permit.

24 (4) Beginning July 1, 2005, if the department fails to make a  
25 decision on an application within the time period under  
26 subsection (3), the department shall return to the applicant the  
27 application fee submitted under subsection (2) and the applicant

1 shall receive a 15% annual discount on an annual groundwater  
2 discharge permit fee required under subsection (5) for a permit  
3 issued based upon that application.

4 (5) Until October 1, 2005, [except as otherwise provided in this  
section,] the department may levy and

5 collect an annual groundwater discharge permit fee from  
6 facilities that discharge wastewater to the ground or groundwater  
7 of this state pursuant to section 3112. The fee shall be as  
8 follows:

9 (a) For a group 1 facility, \$3,650.00.

10 (b) For a group 2 facility, \$1,500.00.

11 (c) For a group 3 facility, \$200.00.

[(6) A business with fewer than 20 employees is not subject to the  
application fee under subsection (2) or the annual groundwater discharge  
permit fee under subsection (5).

(7) A person applying for or obtaining a permit under this part for  
an agricultural purpose is not subject to the application fee under  
subsection (2) or the annual groundwater discharge permit fee under  
subsection (5).

(8) The following are not subject to the application fee under  
subsection (2) or the annual groundwater discharge permit fee under  
subsection (5):

(a) A private nonprofit organization.

(b) A school.

(c) A school district.

(d) A public college or university.

(9) Construction companies discharging groundwater for the purpose  
of lowering a water table temporarily are not subject to the application  
fee under subsection (2) or the annual groundwater discharge permit under  
subsection (5).

12 (10)] If the person required to pay the application fee under

13 subsection (2) or the annual groundwater discharge permit fee

14 under subsection (5) is a municipality, the municipality may pass

15 on the application fee and the annual groundwater discharge

16 permit fee to each user of the municipal facility. [In addition, a  
municipality with a population under 2,500 is not subject to the  
application fee under subsection (2) or the annual groundwater discharge  
permit fee under subsection (5).

17 (11)] The department shall forward application fees collected

18 under subsection (2) to the state treasurer for deposit into the  
19 groundwater discharge permit fund created in section 3124.

20 [(12)] Within 30 days after the effective date of the amendatory  
21 act that added this section, the department and the governor  
22 shall notify each person holding a permit under this part to  
23 discharge wastewater to the ground or groundwater of the  
24 requirements of this section.

[(13) As used in this section, "agricultural purpose" means the  
agricultural production or processing of those plants and animals useful  
to human beings produced by agriculture and includes, but is not limited  
to, forages and sod crops, grains and feed crops, field crops, dairy  
animals and dairy products, poultry and poultry products, cervidae,  
livestock, including breeding and grazing, equine, fish and other  
aquacultural products, bees and bee products, berries, herbs, fruits,  
vegetables, flowers, seeds, grasses, nursery stock, trees and tree  
products, mushrooms, and other similar products, or any other product, as  
determined by the commission of agriculture, that incorporates the use of  
food, feed, fiber, or fur. Agricultural purpose includes an operation or  
facility that produces wine.]

25 Sec. 3123. (1) The department shall send invoices for the  
26 annual groundwater discharge permit fees under section 3122 to  
27 all permit holders by January 15 of each year. Fees will be

1 charged for all facilities authorized as of December 15 of each  
2 calendar year. Payment shall be postmarked no later than March 1  
3 of each year. The department shall forward money collected  
4 pursuant to this section to the state treasurer for deposit into  
5 the groundwater discharge permit fund established under section  
6 3124.

7 (2) The department shall assess a penalty on all fee payments  
8 submitted under this section after the due date. The penalty  
9 shall be an amount equal to 0.75% of the payment due for each  
10 month or portion of a month the payment remains past due.  
11 Failure to timely pay a fee imposed by this section is a  
12 violation of this part and is cause for revocation of a permit  
13 issued under this part and may subject the discharger to  
14 additional penalties pursuant to section 3115.

15 (3) The attorney general may bring an action for the  
16 collection of the annual groundwater discharge permit fees  
17 imposed under this section.

18 Sec. 3124. (1) The groundwater discharge permit fund is  
19 created within the state treasury. The state treasurer may  
20 receive money or other assets from any source for deposit into  
21 the groundwater discharge permit fund. The state treasurer shall  
22 direct the investment of the groundwater discharge permit fund.

23 (2) Money in the groundwater discharge permit fund at the  
24 close of the fiscal year shall remain in the groundwater  
25 discharge permit fund and shall not lapse to the general fund.

26 (3) The state treasurer shall credit to the groundwater  
27 discharge permit fund the interest and earnings from groundwater

1 discharge permit fund investments.

2 (4) The department shall expend money from the groundwater  
3 discharge permit fund, upon appropriation, only to implement the  
4 department's groundwater protection programs. However, in any  
5 state fiscal year, the department shall not expend more than  
6 \$1,700,000.00 of money from the fund. The department shall  
7 expend 90% of the money in the fund at the close of each state  
8 fiscal year as a credit to offset, on a pro rata basis, each fee  
9 described in section 3122 for the following year.

10 (5) By March 1 annually, the department shall prepare and  
11 submit to the governor, the legislature, the chair of the  
12 standing committees of the senate and house of representatives  
13 with primary responsibility for issues related to natural  
14 resources and the environment, and the chairs of the  
15 subcommittees of the senate and house appropriations committees  
16 with primary responsibility for appropriations to the department  
17 a report that details the activities during the previous fiscal  
18 year in administering the department's groundwater discharge  
19 program that were funded by the groundwater discharge permit  
20 fund. This report shall include, at a minimum, all of the  
21 following as they relate to the department:

22 (a) The number of full-time equated positions performing  
23 groundwater permitting, compliance, and enforcement activities.

24 (b) The number of applications received by the department,  
25 reported as the number of applications determined to be  
26 administratively incomplete and the number determined to be  
27 administratively complete.



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1 (c) The number of applications for groundwater permits  
2 determined to be administratively complete for which a final  
3 action was taken by the department. The number of final actions  
4 shall be reported as the number of applications approved, the  
5 number of applications denied, and the number of applications  
6 withdrawn by the applicant.

7 (d) The percentage and number of applications determined to  
8 be administratively complete for which a final decision was made  
9 within the statutory time frame.

10 (e) The number of inspections conducted at groundwater  
11 facilities.

12 (f) The number of violation letters sent.

13 (g) The number of contested case hearings and civil actions  
14 initiated and completed, the number of voluntary consent orders  
15 and administrative orders entered or issued, and the amount of  
16 fines and penalties collected through such actions or orders.

17 (h) For each enforcement action that includes a penalty, a  
18 description of what corrective actions were required by the  
19 enforcement action.

20 (i) The number of groundwater complaints received,  
21 investigated, resolved, and not resolved by the department.

22 (j) The amount of revenue in the groundwater discharge permit  
23 fund at the end of the fiscal year.

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