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House Bill 5094 (Substitute H-1 as passed by the House)
Sponsor: Representative Chris Kolb
House Committee: Natural Resources, Great Lakes, Land Use, and Environment
Senate Committee: Appropriations

Date Completed: 9-27-05

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to postpone the sunset on air emissions fees for two years.

Air emissions fees are paid by fee-subject facilities on an annual basis. The Federal Clean Air Act and the United States Environmental Protection Agency determine the types and sizes of facilities that are subject to the fees. It is often referred to as the "Title V" program since this is the section of the Clean Air Act authorizing states to issue permits regulating air emissions and assess fees sufficient to "cover all reasonable (direct and indirect) costs required to develop and administer the permit program".

The State's fee structure is scheduled to expire on September 30, 2005. The bill would delay the sunset to September 30, 2007, without changing the fee structure.

MCL 324.5522

FISCAL IMPACT

The current air emissions fees generate annual revenue of approximately \$11.3 million and the restricted fund has a balance of \$4.4 million. The Department of Environmental Quality estimates total annual expenditures for the next two fiscal years to be \$28.9 million, which is \$1.9 million greater than anticipated revenue collections. The air quality program would experience a funding shortfall in the second half of the second year of this fee extension. The shortfall would affect staff positions and services provided by the program.

Fiscal Analyst: Jessica Runnels

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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.