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BILL ANALYSIS

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Senate Bill 545 (Substitute S-2)
Sponsor: Senator Mark C. Jansen
Committee: Natural Resources and Environmental Affairs

Date Completed: 6-19-07

CONTENT

The bill would amend Part 31 (Water Resources Protection) of the Natural Resources and Environmental Protection Act to do the following:

- Provide that a storm water discharge permit would not be required for a municipality that did not own or operate a separate storm sewer system.**
- Prohibit the Department of Environmental Quality (DEQ) from collecting storm water discharge fees from a municipality that did not own or operate a separate storm sewer system.**

Part 31 requires the DEQ, until October 1, 2009, to collect storm water discharge fees from a municipality that applies for or has been issued storm water discharge permits as follows:

- An annual fee of \$500 for a permit for a municipal separate storm sewer system, unless the permit is issued to a city, village, township, or county, or is a single permit authorization for municipal separate storm sewer systems in multiple locations statewide.
- An annual population-based fee for a permit for a municipal separate storm sewer system issued to a city, village, or township, ranging from \$500 for a local unit with 1,000 people or fewer to \$7,000 for a local unit with more than 100,000 people.
- An annual fee of \$3,000 for a permit for a municipal separate storm sewer system issued to a county.
- An annual fee for a single municipal separate storm sewer systems permit authorizing a State or Federal agency to operate municipal separate storm sewer systems in multiple locations statewide, determined in accordance with a memorandum of understanding between the agency and the DEQ and based on the needs projected by the DEQ to administer the permit.

Under Part 31, "storm water discharge permit" means a permit authorizing the discharge of wastewater or any other substance to surface waters of the State under the National Pollutant Discharge Elimination System, pursuant to the Federal Clean Water Act or Part 31 and the rules and regulations promulgated under the Clean Water Act or Part 31.

"Municipality" means the State; a county, city, village, or township; or an agency or instrumentality of any of these entities.

"Municipal separate storm sewer system" means all separate storm sewers that are owned or operated by the United States or a state, city, village, township, county, district, association, or other public body created by or pursuant to State law, having jurisdiction over disposal of sewage, industrial wastes, storm water, or other wastes, that discharges to

waters of the State. The term includes systems similar to separate storm sewer systems in municipalities, such as systems at military bases, large hospital or prison complexes, and highways and other thoroughfares. The term does not include separate storm sewers in very discrete areas, such as individual buildings.

MCL 324.3118

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would cost the State an indeterminate amount of revenue from stormwater permit fees. Since the Department would be prohibited from collecting fees from certain municipalities that currently pay them, revenue would decrease. It is unknown which municipalities would no longer require a permit. The result of a court decision issued in early 2007 is the re-evaluation of how stormwater permit fees are assessed. According to the Department, it is currently implementing an owner/operator basis for assessing these fees.

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.