



Senate Fiscal Agency
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House Bill 4554 (Substitute S-1 as reported)

Sponsor: Representative Greg MacMaster

House Committee: Natural Resources, Tourism, and Outdoor Recreation

Senate Committee: Natural Resources, Environment and Great Lakes

CONTENT

The bill would amend Parts 13 (Permits), 301 (Inland Lakes and Streams), and 326 (Great Lakes Submerged Logs Recovery) of the Natural Resources and Environmental Protection Act to do the following:

- Prohibit a person from removing submerged logs from rivers or streams for the purpose of submerged log recovery.
- Establish a \$500 Part 301 permit application fee for the removal of submerged logs from bottomland of an inland lake.
- Eliminate a provision prohibiting the Department of Environmental Quality (DEQ) from issuing a permit for the removal of submerged logs from the Great Lakes after December 1, 2003.
- Prohibit a person from removing submerged logs from Great Lakes bottomlands except as authorized by a permit issued by the DEQ.
- Establish a processing period for a Great Lakes submerged log removal permit.
- Revise the expiration date of a Great Lakes submerged log removal permit from January 1, 2013, to five years after the permit was issued, or for a permit issued before the bill took effect, five years after the bill's effective date.
- Replace the previous \$3,500 permit application fee under Part 326 with a \$500 application fee and a \$3,000 log recovery fee, and require the log recovery fee to be deposited in the Great Lakes Fund.
- Revise the requirements pertaining to the bond a permit applicant must provide to the DEQ.
- Revise the calculation of payments to the State for recovered submerged logs.
- Expand the allowed uses of the Great Lakes Fund to include administration of Part 326.

MCL 324.1301 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would likely increase the amount of revenue received by the Department of Environmental Quality, as it would make several changes to the way individuals seeking permits to recover submerged logs pay for those permits and compensate the State for the logs recovered. The bill would reduce the application fee from \$3,500 to \$500. Current law prohibits the Department from issuing these permits after December 31, 2003; this prohibition would be removed under the bill. Assuming there is interest in obtaining permits for submerged log recovery, the reduced fee would bring an unknown amount of revenue into the Department.

Additionally, the bill would change the State's compensation for recovered logs from 2.0 times the sawlog stumpage value of each recovered log to 15% of the price received from the recovered logs. It is unclear whether this change would represent an increase or decrease in the amount received by the State for a recovered log. To date, no logs have been recovered under this program, so to the extent that this new stumpage fee served as an incentive to recover the logs, the DEQ could receive additional revenue. Any revenue received from stumpage fees is credited to the Submerged Log Recovery Fund, which is statutorily required to make an annual deposit of 50% of its balance into the Great Lakes Fund, and 50% into the Forest Development Fund.

Date Completed: 10-6-11

Fiscal Analyst: Josh Sefton

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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.