

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 653**

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending section 1301 (MCL 324.1301), as amended by 2018 PA 36,  
and by adding sections 1313 and 1315.

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

1       Sec. 1301. As used in this part:

2       **(A) "APPEAL BOARD" MEANS A COMMITTEE OF THE APPEAL PANEL,**  
3 **APPOINTED UNDER SECTION 1315(2).**

4       **(B) "APPEAL PANEL" OR "PANEL" MEANS THE PERMIT APPEAL PANEL**  
5 **ESTABLISHED UNDER SECTION 1313(1).**

6       **(C) ~~(a)~~"Application period"** means the period beginning when  
7 an application for a permit is received by the state and ending  
8 when the application is considered to be administratively complete  
9 under section 1305 and any applicable fee has been paid.

1           (D) ~~(b)~~—"Department" means the department, agency, or officer  
 2 authorized by this act to approve or deny an application for a  
 3 particular permit.

4           (E) ~~(e)~~—"Director" means the director of the state department  
 5 authorized under this act to approve or deny an application for a  
 6 particular permit or the director's designee. **HOWEVER, AS USED IN**  
 7 **SECTIONS 1313 AND 1315, "DIRECTOR" MEANS THE DIRECTOR OF THE**  
 8 **DEPARTMENT OF ENVIRONMENTAL QUALITY OR THE DIRECTOR'S DESIGNEE.**

9           (F) ~~(d)~~—"Permit", **EXCEPT AS PROVIDED IN SUBDIVISION (G)**, means  
 10 a permit or operating license required by any of the following  
 11 sections or by rules promulgated thereunder, or, in the case of  
 12 section 9112, by an ordinance ~~adopted thereunder~~:**REFERRED TO IN**  
 13 **THAT SECTION:**

- 14           (i) Section 3104, floodplain alteration permit.  
 15           (ii) Section 3503, permit for use of water in mining iron ore.  
 16           (iii) Section 4105, sewerage system construction permit.  
 17           (iv) Section 6516, vehicle testing license.  
 18           (v) Section 6521, motor vehicle fleet testing permit.  
 19           (vi) Section 8310, restricted use pesticide dealer license.  
 20           (vii) Section 8310a, agricultural pesticide dealer license.  
 21           (viii) Section 8504, license to manufacture or distribute  
 22 fertilizer.  
 23           (ix) Section 9112, local soil erosion and sedimentation  
 24 control permit.  
 25           (x) Section 11509, solid waste disposal area construction  
 26 permit.  
 27           (xi) Section 11512, solid waste disposal area operating

1 license.

2 (xii) Section 11542, municipal solid waste incinerator ash  
3 landfill operating license amendment.

4 (xiii) Section 11702, septage waste servicing license or  
5 septage waste vehicle license.

6 (xiv) Section 11709, septage waste site permit.

7 (xv) Section 30104, inland lakes and streams project permit.

8 (xvi) Section 30304, state permit for dredging, filling, or  
9 other activity in wetland. Permit includes an authorization for a  
10 specific project to proceed under a general permit issued under  
11 section 30312.

12 (xvii) Section 31509, dam construction, repair, or removal  
13 permit.

14 (xviii) Section 32312, flood risk, high risk, or environmental  
15 area permit.

16 (xix) Section 32512, permit for dredging and filling  
17 bottomland.

18 (xx) Section 32603, permit for submerged log removal from  
19 Great Lakes bottomlands.

20 (xxi) Section 35304, department permit for critical dune area  
21 use.

22 (xxii) Section 36505, endangered species permit.

23 (xxiii) Section 41702, game bird hunting preserve license.

24 (xxiv) Section 42101, dog training area permit.

25 (xxv) Section 42501, fur dealer's license.

26 (xxvi) Section 42702, game dealer's license.

27 (xxvii) Section 44513, charter boat operating permit under

1 reciprocal agreement.

2 (xxviii) Section 44516, boat livery operating permit.

3 (xxix) Section 45902, game fish propagation license.

4 (xxx) Section 45906, game fish import license.

5 (xxxi) Section 48705, permit to take amphibians and reptiles  
6 for scientific or educational use.

7 (xxxii) Section 61525, oil or gas well drilling permit.

8 (xxxiii) Section 62509, brine, storage, or waste disposal well  
9 drilling or conversion permit or test well drilling permit.

10 (xxxiv) Section 63103a, ferrous mineral mining permit.

11 (xxxv) Section 63514 or 63525, surface coal mining and  
12 reclamation permit or revision of the permit, respectively.

13 (xxxvi) Section 63704, sand dune mining permit.

14 (xxxvii) Section 72108, use permits for a Pure Michigan Trail.

15 (xxxviii) Section 76109, sunken aircraft or watercraft  
16 abandoned property recovery permit.

17 (xxxix) Section 76504, Mackinac Island motor vehicle and land  
18 use permits.

19 (xxxx) Section 80159, buoy or beacon permit.

20 **(G) "PERMIT", AS USED IN SECTIONS 1313 AND 1315, MEANS A**  
21 **PERMIT OR OPERATING LICENSE ISSUED BY THE DEPARTMENT OF**  
22 **ENVIRONMENTAL QUALITY UNDER THIS ACT.**

23 **(H) ~~(e)~~**-"Processing deadline" means the last day of the  
24 processing period.

25 **(I) ~~(f)~~**-"Processing period" means the following time period  
26 after the close of the application period, for the following  
27 permit, as applicable:

1 (i) Twenty days for a permit under section 61525 or 62509.

2 (ii) Thirty days for a permit under section 9112 or 44516.

3 (iii) Thirty days after the department consults with the  
4 underwater salvage and preserve committee created under section  
5 76103, for a permit under section 76109.

6 (iv) Sixty days, for a permit under section 30104 for a minor  
7 project established under section 30105(7) or 32512a(1), or an  
8 authorization for a specific project to proceed under a general  
9 permit issued under section 30105(8) or 32512a(2), or for a permit  
10 under section 32312.

11 (v) Sixty days or, if a hearing is held, 90 days for a permit  
12 under section 35304.

13 (vi) Sixty days or, if a hearing is held, 120 days for a  
14 permit under section 30104, other than a permit or authorization  
15 described in subparagraph (ii) or (iv), or for a permit under  
16 section 31509.

17 (vii) Ninety days for a permit under section 11512, a revision  
18 of a surface coal mining and reclamation permit under section  
19 63525, or a permit under section 72108.

20 (viii) Ninety days or, if a hearing is held, 150 days for a  
21 permit under section 3104 or 30304, or a permit under section 32512  
22 other than a permit described in subparagraph (iv).

23 (ix) Ninety days after the close of the review or comment  
24 period under section 32604, or if a public hearing is held, 90 days  
25 after the date of the public hearing for a permit under section  
26 32603.

27 (x) One hundred twenty days for a permit under section 11509,

1 11542, 63103a, 63514, or 63704.

2 (xi) One hundred fifty days for a permit under section 36505.  
3 However, if a site inspection or federal approval is required, the  
4 150-day period is tolled pending completion of the inspection or  
5 receipt of the federal approval.

6 (xii) For any other permit, 150 days or, if a hearing is held,  
7 90 days after the hearing, whichever is later.

8 **SEC. 1313. (1) A PERMIT APPEAL PANEL IS ESTABLISHED IN THE**  
9 **DEPARTMENT OF ENVIRONMENTAL QUALITY.**

10 **(2) THE APPEAL PANEL SHALL CONSIST OF 15 INDIVIDUALS,**  
11 **APPOINTED BY THE GOVERNOR. THE GOVERNOR SHALL APPOINT THE FIRST**  
12 **PANEL WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT**  
13 **THAT ADDED THIS SECTION. EACH MEMBER OF THE PANEL SHALL MEET ALL OF**  
14 **THE FOLLOWING REQUIREMENTS:**

15 **(A) MEET 1 OR MORE OF THE FOLLOWING:**

16 **(i) HOLD A CURRENT PROFESSIONAL ENGINEERING, GEOLOGIST,**  
17 **HYDROLOGIST, OR HYDROGEOLOGIST LICENSE OR REGISTRATION FROM A**  
18 **STATE, TRIBE, OR UNITED STATES TERRITORY, OR THE COMMONWEALTH OF**  
19 **PUERTO RICO, AND HAVE THE EQUIVALENT OF 6 YEARS OF FULL-TIME**  
20 **RELEVANT EXPERIENCE.**

21 **(ii) HAVE A MASTER'S DEGREE FROM AN ACCREDITED INSTITUTION OF**  
22 **HIGHER EDUCATION IN A DISCIPLINE OF ENGINEERING OR SCIENCE RELATED**  
23 **TO AIR OR WATER AND THE EQUIVALENT OF 8 YEARS OF FULL-TIME RELEVANT**  
24 **EXPERIENCE.**

25 **(B) REMAIN CURRENT IN HIS OR HER FIELD THROUGH PARTICIPATION**  
26 **IN CONTINUING EDUCATION OR OTHER ACTIVITIES.**

27 **(3) AN INDIVIDUAL IS NOT ELIGIBLE TO BE A MEMBER OF THE PANEL**

1 IF ANY OF THE FOLLOWING APPLY:

2 (A) THE INDIVIDUAL IS A CURRENT EMPLOYEE OF ANY OFFICE,  
3 DEPARTMENT, OR AGENCY OF THIS STATE.

4 (B) THE INDIVIDUAL IS A PARTY TO 1 OR MORE CONTRACTS WITH THE  
5 DEPARTMENT OF ENVIRONMENTAL QUALITY AND THE COMPENSATION PAID UNDER  
6 THOSE CONTRACTS IN ANY OF THE PRECEDING 3 YEARS REPRESENTED MORE  
7 THAN 5% OF THE INDIVIDUAL'S ANNUAL GROSS INCOME IN THAT PRECEDING  
8 YEAR.

9 (C) THE INDIVIDUAL IS EMPLOYED BY AN ENTITY THAT IS A PARTY TO  
10 1 OR MORE CONTRACTS WITH THE DEPARTMENT OF ENVIRONMENTAL QUALITY  
11 AND THE COMPENSATION PAID TO THE INDIVIDUAL'S EMPLOYER UNDER THOSE  
12 CONTRACTS IN ANY OF THE PRECEDING 3 YEARS REPRESENTED MORE THAN 5%  
13 OF THE EMPLOYER'S ANNUAL GROSS REVENUE IN THAT PRECEDING YEAR.

14 (D) THE INDIVIDUAL WAS EMPLOYED BY THE DEPARTMENT OF  
15 ENVIRONMENTAL QUALITY WITHIN THE PRECEDING 3 YEARS.

16 (4) AN INDIVIDUAL APPOINTED TO THE APPEAL PANEL SHALL SERVE  
17 FOR A TERM OF 4 YEARS, EXCEPT AS PROVIDED IN THIS SUBSECTION, AND  
18 MAY BE REAPPOINTED. HOWEVER, AFTER SERVING 2 CONSECUTIVE TERMS ON  
19 THE PANEL, THE INDIVIDUAL IS NOT ELIGIBLE TO SERVE ON THE PANEL FOR  
20 2 YEARS. THE TERMS FOR MEMBERS FIRST APPOINTED SHALL BE STAGGERED  
21 SO THAT 3 EXPIRE IN 1 YEAR, 4 EXPIRE IN 2 YEARS, AND 4 EXPIRE IN 3  
22 YEARS. A VACANCY ON THE PANEL SHALL BE FILLED IN THE SAME MANNER AS  
23 THE ORIGINAL APPOINTMENT.

24 (5) THE GOVERNOR MAY REMOVE A MEMBER OF THE APPEAL PANEL FOR  
25 INCOMPETENCE, DERELICTION OF DUTY, MALFEASANCE, MISFEASANCE, OR  
26 NONFEASANCE IN OFFICE, OR ANY OTHER GOOD CAUSE.

27 (6) INDIVIDUALS APPOINTED TO THE APPEAL PANEL SHALL SERVE

1 WITHOUT COMPENSATION. HOWEVER, MEMBERS OF THE PANEL MAY BE  
2 REIMBURSED FOR THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE  
3 PERFORMANCE OF THEIR OFFICIAL DUTIES AS MEMBERS OF THE PANEL.

4 (7) THE BUSINESS THAT THE APPEAL PANEL MAY PERFORM SHALL BE  
5 CONDUCTED AT A PUBLIC MEETING OF THE PANEL HELD IN COMPLIANCE WITH  
6 THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.

7 SEC. 1315. (1) A PERMIT APPLICANT WHO IS AGGRIEVED BY A  
8 DECISION OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO DENY A  
9 PERMIT APPLICATION OR A DECISION REGARDING THE TERMS OR CONDITIONS  
10 OF A PERMIT MAY, WITHIN 90 DAYS AFTER THE DEPARTMENT OF  
11 ENVIRONMENTAL QUALITY SENDS THE APPLICANT NOTICE OF THE DECISION,  
12 APPEAL TO AN APPEAL BOARD BY SUBMITTING A PETITION TO THE DIRECTOR.  
13 THE PETITION SHALL INCLUDE THE ISSUES IN DISPUTE, THE RELEVANT  
14 FACTS, AND ANY DATA, ANALYSIS, OPINION, AND SUPPORTING  
15 DOCUMENTATION FOR THE PETITIONER'S POSITION. IF THE DIRECTOR  
16 BELIEVES THAT THE DISPUTE MAY BE RESOLVED WITHOUT CONVENING AN  
17 APPEAL BOARD, THE DIRECTOR MAY CONTACT THE PETITIONER REGARDING THE  
18 ISSUES IN DISPUTE AND MAY NEGOTIATE A RESOLUTION OF THE DISPUTE.

19 (2) UNLESS THE DISPUTE IS RESOLVED PURSUANT TO SUBSECTION (1),  
20 THE DIRECTOR SHALL CONVENE A MEETING OF AN APPEAL BOARD. THE  
21 MEETING SHALL BE HELD WITHIN 45 DAYS AFTER THE DIRECTOR RECEIVED  
22 THE PETITION. THE APPEAL BOARD SHALL CONSIST OF 5 MEMBERS OF THE  
23 APPEAL PANEL SELECTED BY THE DIRECTOR ON THE BASIS OF THEIR  
24 RELEVANT EXPERTISE. THE DIRECTOR MAY SELECT A REPLACEMENT FOR A  
25 MEMBER WHO IS UNABLE TO PARTICIPATE IN THE APPEAL PROCESS. TO SERVE  
26 AS AN APPEAL BOARD MEMBER, AN APPEAL PANEL MEMBER MUST SUBMIT TO  
27 THE DIRECTOR ON A FORM PROVIDED BY THE DEPARTMENT AN AGREEMENT NOT



1 TO ACCEPT EMPLOYMENT FROM THE APPELLANT BEFORE 1 YEAR AFTER A  
2 DECISION IS RENDERED ON THE MATTER IF GROSS INCOME FROM THE  
3 EMPLOYMENT WOULD EXCEED 5% OF THE MEMBER'S GROSS INCOME FROM ALL  
4 SOURCES IN ANY OF THE PRECEDING 3 YEARS. THE ATTORNEY GENERAL MAY  
5 BRING AN ACTION TO ENFORCE THE AGREEMENT.

6 (3) THE MEMBERS OF THE APPEAL BOARD SHALL ELECT A CHAIRPERSON.  
7 THREE MEMBERS OF THE APPEAL BOARD CONSTITUTE A QUORUM. A MAJORITY  
8 OF THE VOTES CAST ARE REQUIRED FOR OFFICIAL ACTION OF THE APPEAL  
9 BOARD. THE BUSINESS THAT THE APPEAL BOARD MAY PERFORM SHALL BE  
10 CONDUCTED AT A PUBLIC MEETING OF THE PANEL HELD IN COMPLIANCE WITH  
11 THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.

12 (4) THE DIRECTOR SHALL PROVIDE THE APPEAL BOARD WITH A COPY OF  
13 THE PETITION AND ITS SUPPORTING DOCUMENTATION AND A COPY OF ALL  
14 SUPPORTING DOCUMENTATION FROM THE DEPARTMENT. AT THE MEETING OF THE  
15 APPEAL BOARD, REPRESENTATIVES OF THE APPELLANT AND THE DEPARTMENT  
16 SHALL EACH BE GIVEN AN OPPORTUNITY TO PRESENT THEIR POSITIONS.

17 (5) WITHIN 45 DAYS AFTER HEARING THE APPEAL, THE APPEAL BOARD  
18 SHALL ISSUE A WRITTEN DECISION REGARDING THE PETITION AND PROVIDE A  
19 COPY OF THE DECISION TO THE DIRECTOR AND THE PETITIONER. THE  
20 DECISION SHALL BE CONSISTENT WITH THE LAW GOVERNING THE APPROVAL OR  
21 DENIAL OF THE PERMIT APPLICATION AND THE CONTENT OF THE PERMIT. THE  
22 DECISION SHALL STATE THE RATIONALE FOR THE DECISION, INCLUDING THE  
23 LEGAL RATIONALE AND SPECIFIC SCIENTIFIC OR TECHNICAL RATIONALE. THE  
24 APPEAL BOARD MAY ADOPT, MODIFY, OR REVERSE, IN WHOLE OR IN PART,  
25 THE DEPARTMENT'S DECISION THAT IS THE SUBJECT OF THE APPEAL.

26 (6) WITHIN 60 DAYS AFTER RECEIVING WRITTEN NOTICE OF THE  
27 APPEAL BOARD'S DECISION, THE DIRECTOR SHALL ISSUE A FINAL DECISION,

1 IN WRITING, CONSISTENT WITH THE APPEAL BOARD'S DECISION. IF THE  
2 DEPARTMENT DENIED THE APPLICATION FOR A PERMIT AND THE APPEAL BOARD  
3 DECIDES THAT THE APPLICATION SHOULD BE GRANTED OR IF THE DEPARTMENT  
4 GRANTED THE APPLICATION AND THE APPEAL BOARD DECIDES THAT THE TERMS  
5 OR CONDITIONS OF THE PERMIT SHOULD BE CHANGED, THE DIRECTOR'S  
6 DECISION SHALL INCORPORATE INTO THE PERMIT THE APPEAL BOARD'S  
7 DECISION ON THE TERMS OR CONDITIONS OF THE PERMIT. IF THE DIRECTOR  
8 FAILS TO ISSUE A FINAL DECISION WITHIN THE TIME PERIOD PROVIDED FOR  
9 IN THIS SUBSECTION, THE DECISION OF THE APPEAL BOARD SHALL BE  
10 CONSIDERED THE FINAL DECISION OF THE DIRECTOR. THE FINAL DECISION  
11 OF THE DIRECTOR UNDER THIS SUBSECTION REGARDING A PERMIT IS SUBJECT  
12 TO REVIEW IN THE SAME MANNER PROVIDED FOR A FINAL DECISION BY THE  
13 DEPARTMENT REGARDING THE PERMIT UNDER THIS ACT, THE ADMINISTRATIVE  
14 PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, AND  
15 SECTION 631 OF THE REVISED JUDICATURE ACT OF 1961, 1961 PA 236, MCL  
16 600.631. IF A PERMIT APPLICANT DECLINES TO BRING AN APPEAL UNDER  
17 THIS SECTION, THE DECISION OF THE DEPARTMENT REGARDING THE PERMIT  
18 IS FINAL PERMIT ACTION FOR PURPOSES OF ANY JUDICIAL REVIEW OR OTHER  
19 REVIEW ALLOWED UNDER THIS ACT, THE ADMINISTRATIVE PROCEDURES ACT OF  
20 1969, 1969 PA 306, MCL 24.201 TO 24.328, AND SECTION 631 OF THE  
21 REVISED JUDICATURE ACT OF 1961, 1961 PA 236, MCL 600.631.

22 (7) A MEMBER OF THE APPEAL PANEL SHALL NOT PARTICIPATE IN AN  
23 APPEAL IF THE MEMBER HAS A CONFLICT OF INTEREST. A MEMBER HAS A  
24 CONFLICT OF INTEREST IF ANY OF THE FOLLOWING APPLY:

25 (A) THE APPLICANT HAS HIRED THAT MEMBER OR THE MEMBER'S  
26 EMPLOYER ON ANY ENVIRONMENTAL MATTER WITHIN THE PRECEDING 3 YEARS.

27 (B) THE MEMBER HAS BEEN AN EMPLOYEE OF THE APPELLANT WITHIN

1 THE PRECEDING 3 YEARS.

2 (C) THE MEMBER HAS MORE THAN A 1% OWNERSHIP INTEREST IN THE  
3 APPELLANT.

4 (D) THE MEMBER RECEIVES, OR HAS DURING THE PREVIOUS 2 YEARS  
5 RECEIVED, A SIGNIFICANT PORTION OF INCOME DIRECTLY OR INDIRECTLY  
6 FROM PERMIT HOLDERS OR APPLICANTS FOR A PERMIT AS DESCRIBED IN 40  
7 CFR 123.25.

8 (8) THE DIRECTOR SHALL SELECT A MEMBER OF THE APPEAL PANEL TO  
9 PARTICIPATE IN AN APPEAL IN PLACE OF A MEMBER DISQUALIFIED UNDER  
10 SUBSECTION (7).

11 Enacting section 1. This amendatory act takes effect 90 days  
12 after the date it is enacted into law.

13 Enacting section 2. This amendatory act does not take effect  
14 unless all of the following bills of the 99th Legislature are  
15 enacted into law:

16 (a) Senate Bill No. 652.

17 (b) Senate Bill No. 654.