

Act No. 268  
Public Acts of 2018  
Approved by the Governor  
June 28, 2018  
Filed with the Secretary of State  
June 29, 2018  
EFFECTIVE DATE: June 29, 2018

**STATE OF MICHIGAN  
99TH LEGISLATURE  
REGULAR SESSION OF 2018**

Introduced by Senators Booher, Robertson and Casperson

**ENROLLED SENATE BILL No. 653**

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people's right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending sections 1301, 1307, and 1311 (MCL 324.1301, 324.1307, and 324.1311), section 1301 as amended by 2018 PA 36 and sections 1307 and 1311 as amended by 2013 PA 98, and by adding sections 1313, 1315, and 1317.

*The People of the State of Michigan enact:*

Sec. 1301. As used in this part:

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

(b) "Department" means the department, agency, or officer authorized by this act to approve or deny an application for a particular permit. As used in sections 1315 to 1317, "department" means the department of environmental quality.

(c) "Director" means the director of the state department authorized under this act to approve or deny an application for a particular permit or the director's designee. As used in sections 1313 to 1317, "director" means the director of the department of environmental quality.

(d) "Environmental permit review commission" or "commission" means the environmental permit review commission established under section 1313(1).

(e) "Environmental permit panel" or "panel" means a panel of the environmental permit review commission, appointed under section 1315(2).

(f) "Permit", except as provided in subdivision (g), means a permit or operating license required by any of the following sections or by rules promulgated thereunder, or, in the case of section 9112, by an ordinance referred to in that section:

- (i) Section 3104, floodplain alteration permit.
- (ii) Section 3503, permit for use of water in mining iron ore.
- (iii) Section 4105, sewerage system construction permit.
- (iv) Section 6516, vehicle testing license.
- (v) Section 6521, motor vehicle fleet testing permit.

- (vi) Section 8310, restricted use pesticide dealer license.
- (vii) Section 8310a, agricultural pesticide dealer license.
- (viii) Section 8504, license to manufacture or distribute fertilizer.
- (ix) Section 9112, local soil erosion and sedimentation control permit.
- (x) Section 11509, solid waste disposal area construction permit.
- (xi) Section 11512, solid waste disposal area operating license.
- (xii) Section 11542, municipal solid waste incinerator ash landfill operating license amendment.
- (xiii) Section 11702, septage waste servicing license or septage waste vehicle license.
- (xiv) Section 11709, septage waste site permit.
- (xv) Section 30104, inland lakes and streams project permit.
- (xvi) Section 30304, state permit for dredging, filling, or other activity in wetland. Permit includes an authorization for a specific project to proceed under a general permit issued under section 30312.
- (xvii) Section 31509, dam construction, repair, or removal permit.
- (xviii) Section 32312, flood risk, high risk, or environmental area permit.
- (xix) Section 32512, permit for dredging and filling bottomland.
- (xx) Section 32603, permit for submerged log removal from Great Lakes bottomlands.
- (xxi) Section 35304, department permit for critical dune area use.
- (xxii) Section 36505, endangered species permit.
- (xxiii) Section 41702, game bird hunting preserve license.
- (xxiv) Section 42101, dog training area permit.
- (xxv) Section 42501, fur dealer's license.
- (xxvi) Section 42702, game dealer's license.
- (xxvii) Section 44513, charter boat operating permit under reciprocal agreement.
- (xxviii) Section 44516, boat livery operating permit.
- (xxix) Section 45902, game fish propagation license.
- (xxx) Section 45906, game fish import license.
- (xxxi) Section 48705, permit to take amphibians and reptiles for scientific or educational use.
- (xxxii) Section 61525, oil or gas well drilling permit.
- (xxxiii) Section 62509, brine, storage, or waste disposal well drilling or conversion permit or test well drilling permit.
- (xxxiv) Section 63103a, ferrous mineral mining permit.
- (xxxv) Section 63514 or 63525, surface coal mining and reclamation permit or revision of the permit, respectively.
- (xxxvi) Section 63704, sand dune mining permit.
- (xxxvii) Section 72108, use permits for a Pure Michigan Trail.
- (xxxviii) Section 76109, sunken aircraft or watercraft abandoned property recovery permit.
- (xxxix) Section 76504, Mackinac Island motor vehicle and land use permits.
- (xxxx) Section 80159, buoy or beacon permit.

(g) "Permit", as used in sections 1313 to 1317, means any permit or operating license that meets both of the following conditions:

- (i) The applicant for the permit or operating license is not this state or a political subdivision of this state.
  - (ii) The permit or operating license is issued by the department of environmental quality under this act or the rules promulgated under this act.
- (h) "Processing deadline" means the last day of the processing period.
- (i) "Processing period", subject to section 1307(2) and (3), means the following time period after the close of the application period, for the following permit, as applicable:
- (i) Twenty days for a permit under section 61525 or 62509.
  - (ii) Thirty days for a permit under section 9112 or 44516.
  - (iii) Thirty days after the department consults with the underwater salvage and preserve committee created under section 76103, for a permit under section 76109.

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

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

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

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

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

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

(x) One hundred twenty days for a permit under section 11509, 11542, 63103a, 63514, or 63704.

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

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

Sec. 1307. (1) By the processing deadline, the department shall approve or deny an application for a permit.

(2) If requested by the permit applicant, the department shall extend the processing period for a permit by not more than 120 days, as specified by the applicant. If requested by the permit applicant, the department may extend the processing period beyond the additional 120 days. However, a processing period shall not be extended under this subsection to a date later than 1 year after the application period ends.

(3) A processing period is tolled from the date that a permit applicant submits a petition under section 1315(1) until the date that a decision of the director is made under section 1315(6). If a permit applicant submits a petition under section 1315(1), the department shall not approve or deny the application for the permit under subsection (1) until after the director issues a decision under section 1315(6).

(4) The approval or denial of an application for a permit shall be in writing and shall be based upon evidence that would meet the standards in section 75 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.275.

(5) Approval of an application for a permit may be granted with conditions or modifications necessary to achieve compliance with the part or parts of this act under which the permit is issued.

(6) A denial of an application for a permit shall document, and any review upholding the decision shall determine, to the extent practical, all of the following:

(a) That the decision is based on specific provisions of this act or rules promulgated under this act.

(b) That the decision is based upon sufficient facts or data, which are recorded in the file.

(c) To the extent applicable, all of the following:

(i) That the decision is the product of reliable scientific principles and methods.

(ii) That the decision has applied the principles and methods reliably to the facts.

(7) Except for permits described in subsection (8), if the department fails to satisfy the requirements of subsection (1) with respect to an application for a permit, the department shall pay the applicant an amount equal to 15% of the greater of the following, as applicable:

(a) The amount of the application fee for that permit.

(b) If an assessment or other fee is charged on an annual or other periodic basis by the department to a person holding the permit for which the application was submitted, the amount of the first periodic charge of that assessment or other fee for that permit.

(8) If the department fails to satisfy the requirements of subsection (1) with respect to a permit required by section 11509, 11512, 30304, or 32603, the application shall be considered to be approved and the department shall be considered to have made any determination required for approval.

(9) The failure of the department to satisfy the requirements of subsection (1) or the fact that the department is required to make a payment under subsection (7) or is considered to have approved a permit under subsection (8) shall not be used by the department as the basis for discriminating against the applicant. If the department is required to make a payment under subsection (7), the application shall be processed in sequence with other applications for the same type of permit, based on the date on which the processing period began, unless the director determines on an application-by-application basis that the public interest is best served by processing in a different order.

(10) If the department fails to satisfy the requirements of subsection (1) with respect to 10% or more of the applications for a particular type of permit received during a quarter of the state fiscal year, the department shall

immediately devote resources from that program to eliminate any backlog and satisfy the requirements of subsection (1) with respect to new applications for that type of permit within the next fiscal quarter.

(11) If the department fails to satisfy the requirements of subsection (1), the director shall notify the appropriations committees of the senate and house of representatives of the failure. The notification shall be in writing and shall include both of the following:

(a) An explanation of the reason for the failure.

(b) A statement of the amount the department was required to pay the applicant under subsection (7) or a statement that the department was required to consider the application to be approved under subsection (8), as applicable.

Sec. 1311. By December 1 each year, the director shall submit a report to the standing committees and appropriations subcommittees of the senate and house of representatives with primary responsibility for issues under the jurisdiction of that department. The department shall post the current report on its website. The report shall include all of the following information for each type of permit for the preceding fiscal year:

(a) The number of applications for permits the department received.

(b) The number of applications approved, the number of applications approved by the processing deadline, the number of applications approved after the processing deadline, and the average times for the department to determine administrative completeness and to approve or disapprove applications.

(c) The number of applications denied, the number of applications denied by the processing deadline, and the number of applications denied after the processing deadline.

(d) The number of applications approved or denied after the processing deadline that, based on the director's determination of the public interest, were not processed in sequence as otherwise required by section 1307(9).

(e) The number of applications that were not administratively complete when received.

(f) The amount of money refunded and discounts granted under section 1307.

(g) The number of applications processed as provided in section 1309.

(h) If a department failed to satisfy the requirements of section 1307(1) with respect to 10% or more of the applications for a particular type of permit received during a quarter of the state fiscal year, the type of permit and percentage of applications for which the requirements were not met, how the department attempted to eliminate any backlog and satisfy the requirements of section 1307(1) with respect to new applications for that type of permit within the next fiscal quarter, and whether the department was successful.

Sec. 1313. (1) The environmental permit review commission is established in the department of environmental quality. The commission shall advise the director on disputes related to permits and permit applications.

(2) The commission shall consist of 15 individuals, appointed by the governor. The governor shall appoint the first commission within 60 days after the effective date of the amendatory act that added this section. Each member of the commission shall meet 1 or more of the following:

(a) Have the equivalent of 6 years of full-time relevant experience as a practicing engineer, geologist, hydrologist, or hydrogeologist.

(b) Have a master's degree from an accredited institution of higher education in a discipline of engineering or science related to air or water and the equivalent of 8 years of full-time relevant experience.

(3) An individual is not eligible to be a member of the commission if any of the following apply:

(a) The individual is a current employee of any office, department, or agency of this state.

(b) The individual is a party to 1 or more contracts with the department of environmental quality and the compensation paid under those contracts in any of the preceding 3 years represented more than 5% of the individual's annual gross income in that preceding year.

(c) The individual is employed by an entity that is a party to 1 or more contracts with the department of environmental quality and the compensation paid to the individual's employer under those contracts in any of the preceding 3 years represented more than 5% of the employer's annual gross revenue in that preceding year.

(d) The individual was employed by the department of environmental quality within the preceding 3 years.

(4) An individual appointed to the commission shall serve for a term of 4 years, except as provided in this subsection, and may be reappointed. However, after serving 2 consecutive terms on the commission, the individual is not eligible to serve on the commission for 2 years. The terms for members first appointed shall be staggered so that 5 expire in 2 years, 5 expire in 3 years, and 5 expire in 4 years. A vacancy on the commission shall be filled in the same manner as the original appointment.

(5) The governor may remove a member of the commission for incompetence, dereliction of duty, malfeasance, misfeasance, or nonfeasance in office, or any other good cause.

(6) Individuals appointed to the commission shall serve without compensation. However, members of the commission may be reimbursed for their actual and necessary expenses incurred in the performance of their official duties as members of the commission.

(7) The business that the commission may perform shall be conducted at a public meeting of the commission held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

Sec. 1315. (1) A permit applicant may seek review by a panel by submitting a petition to the director before the permit has been approved or denied. The petition shall include the issues in dispute, the relevant facts, and any data, analysis, opinion, and supporting documentation for the petitioner's position. If the director believes that the dispute may be resolved without convening a panel, the director may contact the petitioner regarding the issues in dispute and may negotiate, for a period not to exceed 45 days, a resolution of the dispute.

(2) Unless the dispute is resolved pursuant to subsection (1), the director shall convene a meeting of a panel. The meeting shall be held within 45 days after the director received the petition. The panel shall consist of 3 members of the commission selected by the director on the basis of their relevant expertise. The director may select a replacement for a member who is unable to participate in the review process. To serve as a panel member, a commission member must submit to the director on a form provided by the department an agreement not to accept employment from the petitioner before 1 year after a decision is rendered on the matter if gross income from the employment would exceed 5% of the member's gross income from all sources in any of the preceding 3 years.

(3) The members of the panel shall elect a chairperson. Two members of the panel constitute a quorum. A majority of the votes cast are required for official action of the panel. The business that the panel may perform shall be conducted at a public meeting of the panel held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(4) The director shall provide the panel with a copy of the petition and its supporting documentation and a copy of all supporting documentation from the department. At the meeting of the panel, representatives of the petitioner and the department shall each be given an opportunity to present their positions.

(5) Within 45 days after hearing the petition, the panel shall make a recommendation regarding the petition and provide written notice of the recommendation to the director and the petitioner. The written recommendation shall include the specific rationale for the recommendation. The recommendation may be to adopt, modify, or reverse, in whole or in part, the department's position or decision on the dispute that is the subject of the petition.

(6) Within 60 days after receiving written notice of the panel's recommendation, the director shall issue a decision, in writing, regarding the petition. If the director agrees with the recommendation, the department shall incorporate the recommendation into the terms of the permit. If the director does not agree with the recommendation, the director shall include in the written decision the specific rationale for rejecting the recommendation. If the director fails to make a decision within the time period provided for in this subsection, the recommendation of the panel shall be considered the decision of the director. The decision of the director under this subsection regarding a dispute related to a permit or permit application is not subject to review under this act, the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, or section 631 of the revised judicature act of 1961, 1961 PA 236, MCL 600.631. However, the decision of the director under this subsection may be included in an appeal to a final permit action. If a permit applicant declines to submit a petition for review under this section, the decision of the department regarding the approval or denial of a permit is final permit action for purposes of any judicial review or other review allowed under this act, the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and section 631 of the revised judicature act of 1961, 1961 PA 236, MCL 600.631.

(7) A member of the commission shall not participate in a petition review if the member has a conflict of interest. A member has a conflict of interest if any of the following apply:

(a) The applicant has hired that member or the member's employer on any environmental matter within the preceding 3 years.

(b) The member has been an employee of the applicant within the preceding 3 years.

(c) The member has more than a 1% ownership interest in the applicant.

(8) The director shall select a member of the commission to participate in a petition review in place of a member disqualified under subsection (7).

Sec. 1317. (1) In a contested case regarding a permit, an administrative law judge shall preside, make the final decision, and issue the final decision and order for the department. Any party to the contested case, including the department, may, within 21 days after receiving the final decision and order, seek review of the final decision and order by an environmental permit panel by submitting a request to the director and a notice to the hearing officer.

(2) On petition for review of a final decision under subsection (1), the director shall convene an environmental permit panel in the same manner as provided under section 1315(2), except that the director shall not select as a member of the panel an individual who was a member of a panel that previously reviewed any dispute regarding the permit. The

panel shall meet and conduct business in the same manner as provided under section 1315(2) and (3). The panel's review of the final decision must be limited to the record established by the administrative law judge.

(3) After an environmental permit panel is convened under subsection (2), a member of the panel shall not communicate, directly or indirectly, in connection with any issue of fact, with any party or other person, or, in connection with any issue of law, with any party or the party's representative, except on notice and opportunity for all parties to participate.

(4) An environmental permit panel may adopt, remand, modify, or reverse, in whole or in part, a final decision and order described in subsection (1). The panel shall issue an opinion that becomes the final decision of the department and is subject to judicial review as provided under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and other applicable law.

(5) The Michigan administrative hearing system shall provide an environmental permit panel with all staff necessary for the panel to perform its duties under this section.

(6) An opinion issued by an environmental permit panel must be in writing and clearly define the legal and technical principles being applied.

(7) If no party timely appeals a final decision and order described in subsection (1) to an environmental permit panel, the final decision and order is the final agency action for purposes of any applicable judicial review.

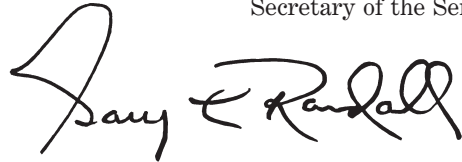
Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 99th Legislature are enacted into law:

- (a) Senate Bill No. 652.
- (b) Senate Bill No. 654.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved .....

.....  
Governor