

HOUSE BILL NO. 6274

December 10, 2024, Introduced by Reps. Hood, McKinney, Rheingans, McFall, Farhat, Hill, Paiz, Wilson, Xiong, Wegela, Byrnes, Morgan, Young and Aiyash and referred to the Committee on Natural Resources, Environment, Tourism and Outdoor Recreation.

A bill to amend 1976 PA 399, entitled
"Safe drinking water act,"
by amending section 17 (MCL 325.1017), as amended by 2008 PA 188
and by adding section 17a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 17. (1) A person ~~engaged in producing~~ **that produces**
2 bottled drinking water shall utilize a water source ~~meeting~~ **that**
3 **meets** the requirements of this ~~section and the requirements~~
4 ~~otherwise provided in this act.~~ Bottling ~~or~~ **and** packaging

1 facilities and their operation ~~shall~~ remain under the supervision
 2 of the department of agriculture ~~as provided for in and rural~~
 3 **development in accordance with** the food law, ~~of 2000,~~ 2000 PA 92,
 4 MCL 289.1101 to 289.8111.

5 (2) A person ~~producing~~ **that produces** bottled drinking water
 6 from an out-of-state source shall submit **to the department for**
 7 **approval** proof ~~to the director~~ that the source **of the water** and
 8 bottling facilities were approved by the agency ~~having~~ **that has**
 9 jurisdiction. The ~~director~~ **department** may withhold approval ~~of the~~
 10 ~~bottled water under this subsection~~ if the other agency's
 11 inspection, surveillance, and approval procedures and techniques
 12 are determined to be inadequate.

13 (3) ~~A~~ **Through December 31, 2025,** a person ~~who~~ **that** proposes to
 14 engage in producing bottled drinking water from a new or increased
 15 large quantity withdrawal of more than 200,000 gallons of water per
 16 day from the waters of the state or that will result in an
 17 intrabasin transfer of more than 100,000 gallons **of water** per day
 18 average over any 90-day period shall submit an application **for a**
 19 **permit** to the department ~~in~~ **on** a form ~~required~~ **and in a manner**
 20 **prescribed** by the department ~~containing~~ **that contains** an evaluation
 21 of environmental, hydrological, and hydrogeological conditions that
 22 exist and the predicted effects of the intended withdrawal that
 23 provides a reasonable basis for ~~the~~ **a** determination under this
 24 section to be made.

25 (4) The department shall ~~only~~ approve an application **for a**
 26 **permit** under subsection (3) **only** if the department determines both
 27 of the following:

28 (a) The proposed ~~use~~ **water withdrawal or intrabasin transfer**
 29 will meet the applicable standard provided in section 32723 of the

1 natural resources and environmental protection act, 1994 PA 451,
2 MCL 324.32723.

3 (b) The person will undertake activities, if needed, to
4 address hydrologic impacts commensurate with the nature and extent
5 of the withdrawal. These activities may include those related to
6 the stream flow regime, water quality, and aquifer protection.

7 (5) Before proposing activities under subsection (4) (b), the
8 person ~~proposing to engage in producing bottled drinking water that~~
9 **submits an application for a permit under subsection (3)** shall
10 consult with local government officials and interested community
11 members.

12 (6) Before making the determination under subsection (4), the
13 department shall provide public notice and an opportunity for
14 public comment of not less than 45 days.

15 (7) If the person ~~proposing to engage in producing bottled~~
16 ~~drinking water that~~ **submits an application for a permit** under
17 subsection (3) does not have a permit under section 4, the person
18 shall request a determination under subsection (4) when that person
19 applies for a permit under section 4. If the person ~~proposing to~~
20 ~~engage in producing bottled drinking water that~~ **submits an**
21 **application for a permit under subsection (3)** has previously
22 received a permit under section 4, the person shall obtain approval
23 under subsection (4) ~~prior to~~ **before** beginning the operations. A
24 proposed use for which the department makes a determination that
25 the conditions of subsection (4) will be met ~~shall be~~ **is** considered
26 to satisfy the requirements of section 4.11 of the compact. **This**
27 **subsection applies through December 31, 2025.**

28 (8) ~~A~~ **Through December 31, 2025, a person seeking a** ~~that wants~~
29 **a** departmental determination under subsection (4) shall submit an

1 application fee of \$5,000.00 to the department. The department
2 shall transmit application fees received under this ~~section~~
3 **subsection** to the state treasurer to be credited to the water use
4 protection fund created in section 32714 **of the natural resources**
5 **and environmental protection act, 1994 PA 451, MCL 324.32714.**

6 (9) Beginning January 1, 2026, a person shall not produce
7 bottled drinking water unless the person is licensed by the
8 department in accordance with this subsection and subsections (10)
9 to (13). A person applying for a license shall do so on an
10 application and in a manner prescribed by the department. The
11 applicant shall include all of the following with an application
12 for a license:

13 (a) If the applicant is not a public water supply, a permit to
14 withdraw water issued in accordance with the requirements of this
15 subdivision. If the person is withdrawing water from a new or
16 increased large quantity withdrawal of more than 200,000 gallons of
17 water per day from the waters of the state or that will result in
18 an intrabasin transfer of more than 100,000 gallons of water per
19 day average over any 90-day period, the person shall submit a
20 permit application to the department on a form and in a manner
21 prescribed by the department. The permit application must include,
22 but is not limited to, an evaluation of environmental,
23 hydrological, and hydrogeological conditions that exist and the
24 predicted effects of the intended withdrawal that provides a
25 reasonable basis for the determination under this subdivision to be
26 made. Before the department approves a permit to withdraw water
27 under this subdivision, the department shall provide public notice
28 and an opportunity for public comment of not less than 45 days. The
29 department shall approve an application for a permit to withdraw

1 water under this subdivision only if the department determines both
2 of the following:

3 (i) The proposed water withdrawal or intrabasin transfer will
4 meet the applicable standards provided in section 32723 of the
5 natural resources and environmental protection act, 1994 PA 451,
6 MCL 324.32723.

7 (ii) The person will undertake activities, if needed, to
8 address hydrologic impacts commensurate with the nature and extent
9 of the withdrawal. These activities may include those related to
10 the stream flow regime, water quality, and aquifer protection.
11 Before undertaking activities under this subparagraph, the
12 applicant shall consult with local government officials and
13 interested community members.

14 (b) If the applicant is a public water supply, identification
15 of the waterworks system approved by the department under section
16 4.

17 (c) Any other permits required under federal law.

18 (d) Any other information required by the department.

19 (e) An application fee in the amount of \$6,000.00.

20 (10) Not later than 30 days after the department receives a
21 completed license application under subsection (9), the department
22 shall do all of the following:

23 (a) Provide public notice of the application for a license.

24 (b) Accept public comments for not less than 45 days. Public
25 comments must be submitted to the department on a form and in a
26 manner prescribed by the department.

27 (c) If requested by a local unit of government or federally
28 recognized tribe, meet and consult with the local unit of
29 government or federally recognized tribe not later than 15 days

1 after a request is made. A request under this subdivision must be
2 submitted to the department on a form and in a manner prescribed by
3 the department.

4 (d) Hold at least 1 public hearing on the license application.
5 The department shall provide notice as required under the open
6 meetings act, 1976 PA 267, MCL 15.261 to 15.275, of the time and
7 place of the public hearing.

8 (11) The department shall approve or deny an application for a
9 license within 90 days after the requirements under subsection (10)
10 are completed. The department shall issue a license only if the
11 department determines all of the following requirements are met:

12 (a) The application is complete. If the application is
13 incomplete, the department shall notify the applicant in writing
14 within 30 days after the application is received, and state the
15 deficiency and request additional information.

16 (b) The applicant is in compliance with the terms and
17 conditions of a permit issued under subsection (9)(a), if
18 applicable, and any permits required under federal law.

19 (c) There is sufficient data and information to evaluate the
20 environmental impacts of the proposed water withdrawal on the water
21 source, watershed, and water distribution system.

22 (d) A license issued under this section will not interfere
23 with or impair public trust resources and uses.

24 (12) If the department denies an application for license, the
25 department shall notify the applicant of the denial within 90 days
26 and state the reasons for the denial. If the department denies an
27 application for a license, the applicant may appeal the denial by
28 submitting a written request for a hearing to the department. The
29 applicant must submit the request to the department not more than

1 15 days after the date of the denial. The department shall conduct
2 a hearing requested under this section in accordance with the
3 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
4 24.328.

5 (13) A license issued under this section is valid for 3 years
6 from the date of issuance and is nontransferable.

7 (14) A license is not required under this section for any of
8 the following:

9 (a) The production of a product that contains or incorporates
10 water obtained from a private well or waterworks system.

11 (b) The withdrawal, treatment, distribution, or delivery of
12 water or the provision of services offered by a public or private
13 water utility, public water supply, or waterworks system.

14 (c) The sale of water obtained from a private well or
15 waterworks system in a glass bottle or other container incidental
16 to a wholesale or retail business.

17 (d) The use of water for agriculture, manufacturing,
18 generation of electricity, or industrial purposes.

19 (15) ~~(9) This section shall not be construed as affecting,~~
20 ~~intending to affect, or in any way altering or interfering~~ **does not**
21 **affect, alter, or interfere** with common law water rights or the
22 applicability of **any** other laws ~~providing~~ **law that provides** for the
23 protection of natural resources or the environment.

24 (16) ~~(10) A person who proposes to engage in producing that~~
25 **produces** bottled drinking water and ~~who~~ submitted an application
26 for a permit under section 4 ~~prior to the effective date of the~~
27 ~~amendatory act that added this subsection~~ **before July 9, 2008** is
28 subject to the provisions of this section that existed on February
29 28, 2006.

1 (17) ~~(11)~~As used in this section, "compact", "intrabasin
2 transfer", "new or increased large quantity withdrawal", and
3 "waters of the state" mean those terms as they are defined in
4 section 32701 of the natural resources and environmental protection
5 act, 1994 PA 451, MCL 324.32701.

6 **Sec. 17a. A person that is licensed under section 17 shall pay**
7 **a royalty equal to 25 cents per gallon of water that is bottled.**
8 **Quarterly, a person that is licensed under section 17 shall remit**
9 **to the department the royalties and a report that documents the**
10 **total volume of water withdrawn per month. A royalty collected by**
11 **the department under this section must be deposited in the Michigan**
12 **water trust fund created in section 1205 of the natural resources**
13 **and environmental protection act, 1994 PA 451, MCL 324.1205.**

14 Enacting section 1. This amendatory act does not take effect
15 unless Senate Bill No.____ or House Bill No. 6273 (request no.
16 06380'24) of the 102nd Legislature is enacted into law.