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BILL ANALYSIS

Senate Fiscal Agency

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Senate Bill 396 (Substitute S-1 as passed by the Senate)
Sponsor: Senator Vern Ehlers
Committee: Natural Resources and Environmental Affairs

Date Completed: 6-23-89

RATIONALE

The Great Lakes Protection Fund Agreement was developed as a result of the ongoing cooperation between several Great Lakes states in addressing environmental problems on a regional basis. The states agreed to establish the regional Fund to ensure the continued protection of the Great Lakes. Although the Environmental Protection Bond Implementation Act (Public Act 328 of 1988) authorized the allocation of up to \$25 million for Michigan's participation in the regional Fund, that Act also requires that such money "be used as provided in the State statute implementing that fund".

CONTENT

The bill would create the "Great Lakes Protection Fund Authorization Act" to provide for Michigan's participation in the regional Great Lakes Protection Fund Agreement, which was signed by the Governor on February 26, 1989. The bill would specify certain legislative findings and declarations pertaining to the Great Lakes and the regional protection agreement, and authorize the Governor to take the necessary steps to join with other states in the formation and operation of the regional Great Lakes Protection Fund.

The bill is tie-barred to House Bill 4709, which would amend the Great Lakes Protection Act to create and regulate the "Michigan Great Lakes Protection Fund".

Findings and Declarations

The bill specifies that the Legislature would find and declare all of the following:

- The regional Great Lakes Protection Fund was created to advance the goals and objectives of the Great Lakes Toxic Substances Control Agreement (which was signed by the Governor on May 21, 1986) and the U.S./Canadian Great Lakes Water Quality Agreement (which was signed on November 22, 1978, includes the phosphorous load reduction supplement signed October 7, 1983, and was amended by protocol signed November 18, 1987).
- The regional Fund was created to finance and support projects for the protection, research, and cleanup of the Great Lakes.
- A need exists for funding commitments for the preservation of water quality in the Great Lakes.
- Protection of the Great Lakes is in the interest of the general welfare of Michigan citizens, and participation in the regional Fund agreement will assist in achieving that protection.

Authorization

The bill would authorize the Governor to join with other states in the formation and

S.B. 396 (6-23-89)

operation of the regional Fund, if it provided for receipt of money from each participating state and the spending of its interest and earnings only for activities related to the Great Lakes. The Governor also would have to appoint members to the regional Fund's board of directors. Activities that could be funded would include, but not be limited to, all of the following:

- The economic, environmental, and human health effects of contamination of the Great Lakes.
- Collection and analysis of data on the Great Lakes.
- Development of new or improved environmental cleanup technologies.
- Research to assess the effectiveness of pollution control policies.
- Assessment of the health of Great Lakes fish, waterfowl, and other organisms.

If fewer than four states whose representatives signed the agreement had enacted legislation and provided funding by February 28, 1991, the Governor would have to "take all steps necessary" to withdraw Michigan's participation in the regional Fund, to dissolve the regional Fund, and to distribute its assets equitably. If two-thirds of the states agreed to extend that deadline, however, the Governor could not withdraw Michigan's participation during the extension period. The bill would allow the Governor to delegate his or her responsibilities under the bill to Director of the Department of Natural Resources.

FISCAL IMPACT

The bill would have no fiscal impact. It would provide statutory authorization for the Great Lakes Protection Fund, which, pursuant to Public Act 328 of 1988, would receive \$25 million in environmental bond proceeds.

ARGUMENTS

Supporting Argument

There is a definite need for long-term funding of projects designed to ensure the protection and maintenance of the Great Lakes. In particular, funding is needed for projects to conduct research on the nature and extent of Great Lakes problems, to develop new and improved environmental cleanup technologies,

and to examine the environmental and human health effects of the Great Lakes. Costs for the cleanup, improvement, and research of the Great Lakes are extremely high, and a stable, predictable funding source currently is not available. The bill, in conjunction with House Bill 4709, would provide for Michigan's participation in the regional Fund.

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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.