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BILL ANALYSIS

Senate Fiscal Agency

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Senate Bill 396

Sponsor: Senator Vern Ehlers

Committee: Natural Resources and Environmental Affairs

Date Completed: 5-8-89

SUMMARY OF SENATE BILL 396 as introduced 5-3-89:

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 do the following:

- Specify certain legislative findings and declarations pertaining to the Great Lakes and the regional protection agreement.
- 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.
- Create the "Michigan Great Lakes Protection Fund" and provide for its operation.

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, and 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.

S.B. 396 (5-8-89)

Authorization

The bill would authorize the Governor to join with other states in the formation and operation of the regional fund, if the fund 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. 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 (DNR).

Michigan Great Lakes Protection Fund

The State Fund could receive money from amounts received by the State from the regional fund, gifts and contributions, and other lawful sources. The State Treasurer would have to direct the State Fund's investment, and its interest and earnings would have to be credited to it. Money in the State Fund at the end of a fiscal year would have to remain there and could not revert to the General Fund. The Treasurer would have to report annually to the Natural Resources Commission (NRC) and the DNR Director on the balance of the State Fund.

All the money received by the State from the regional fund would have to be credited to the State Fund. Money in the State Fund could be used only for programs or grants to supplement existing Great Lakes protection programs that were consistent with the regional fund. The DNR annually would have to determine the grants or programs that should be funded and submit a list of them, in order of priority, to the NRC for its approval. After approving the list, the NRC would have to submit it to the Legislature each January, with a statement of the guidelines used in the listing and assigning of priority of proposed programs and grants.

The Legislature annually would have to appropriate money from the State Fund for programs and grants pursuant to the bill.

Legislative Analyst: P. Affholter

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.

Fiscal Analyst: G. Cutler

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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.